

# DE KLERK MOVES TO SCRAP THE APARTHEID LAWS

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### Legal Discrimination Could End 'in Months'

By Christopher S. Wren  
New York Times Service

CAPE TOWN — President Frederik W. de Klerk moved Friday to smash the bedrock of apartheid, announcing that he would scrap the remaining laws on which South Africa's ideology of racial discrimination has rested.

In a speech opening the 1991 session of Parliament, Mr. de Klerk said legislation would soon be introduced to repeal the Land Acts of 1913 and 1936, which reserved most of the country's land for the white minority; the Group Areas Act of 1966, which mandated the racial segregation of communities; and the Black Communities Act of 1984, which entrenched the separate status of black townships.

Mr. de Klerk also announced that the Population Registration Act, which divides South Africans into four racial groups, would be eliminated, although he said that "temporary transitional measures" would be needed to keep the present constitution working.

The government had previously maintained that the demise of the Population Registration Act, upon which the constitution rests, had to await the writing of a constitution extending political rights to the black majority.

But Mr. de Klerk said Friday that "following investigation, it would, in fact, appear possible to repeal this act, provided that this is accompanied by the adoption of temporary transitional measures toward the acceptance of a new constitution."

The elimination of racial distinctions would throw into question the legitimacy of Parliament, which has separate chambers for white, mixed-race and Indian legislators, and none for blacks. Mr. de Klerk was proposing, among other things, that Parliament, and by extension his government, be kept intact through temporary legal provisions that would allow repeal of the Population Registration Act.

Gerrit Viljoen, minister for constitutional development, said the racial classification of newborn babies and immigrants would end the day that the Population Registration Act was repealed. He also suggested that the racial classification of other South Africans, although still on the registration books, would fall into disuse as fast as possible.

"Should Parliament adopt the government's proposals," Mr. de Klerk said, "the South African statute book will be devoid, within months, of the remnants of racially discriminatory legislation which have become known as the cornerstones of apartheid."

Mr. de Klerk is not expected to have difficulty enacting the changes, because his governing National Party and the liberal Democratic Party control almost three-quarters of the seats in the white House of Assembly.

But the legislators of the rightist Conservative Party, which forms the official parliamentary opposition, angrily walked out during Mr. de Klerk's morning speech. The Conservative Party leader, Andries P. Treurnicht, said later that Mr. de Klerk's plans to scrap the laws struck at the roots of white community life.

"It is surprising that South Africa now has the only leader in the Western world who is negotiating himself, his party and his people out of power," Mr. Treurnicht said.

The leader of the Democratic Party, Zach de Beer, noted that Mr. de Klerk had promised to repeal the Group Areas and Land Acts. But Mr. de Beer added, "most of us did not expect that the Population Registration Act would go this year, and we're pleased."

The speech Friday gives further momentum to a process that Mr. de Klerk began at the opening of Parliament on Feb. 2, 1990, when he legitimized the African National Congress and other anti-apartheid organizations and announced his intention to end apartheid.

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### EC, but Not U.S., Ready to Ease Sanctions

Compiled by Our Staff From Dispatches

BRUSSELS — The European Commission said Friday that President Frederik W. de Klerk's pledge to scrap the last cornerstones of apartheid would allow the European Community to ease sanctions against South Africa.

"The execution of these initiatives will allow the Community to ease the measures adopted in 1986," said the EC external affairs commissioner, Frans Andriessen.

The U.S. State Department praised the move, but said that one more condition must be met to bring an end to U.S. sanctions: "The release of all prisoners persecuted for their political beliefs or detained unjustly without trial."

"We welcome President de Klerk's historic announcement," the State Department spokesman,

Margaret D. Tutwiler, said in Washington. "This is further evidence of President de Klerk's courageous statesmanship. Once enacted, these dramatic and far-reaching measures will abolish the remaining legislative pillars of apartheid."

The U.S. Congress in 1986 legislated sanctions that include a ban on investment and an embargo on manufactured and agricultural products and most raw materials from South Africa.

The British prime minister, John Major, said in London that economic sanctions should be lifted to help Mr. de Klerk in his plans to create a "new South Africa."

"President de Klerk has kept his promises and fundamental change has come to South Africa," Mr. Major said. "The international community's response should measure up to this." (Reuters, AP)

### A Short-Lived U.S. Recession? Economic Figures Dash Hopes

By Lawrence Malkin  
International Herald Tribune

NEW YORK — Any hopes that the U.S. recession would be short were dashed Friday by collapsing employment and orders figures. The numbers forced the Federal Reserve Board to cut interest rates aggressively, and big banks quickly followed by lowering their prime lending rates.

Worries about the Gulf war went out the window in the financial markets as the focus shifted to sobering economic news for January. The U.S. economy lost 232,000 jobs, and the nation's purchasing managers reported manufacturing far weaker than expected as their index of economic activity plunged almost three points to 37.7.

As the Fed cut its discount rate 1/8 percent from 6.5 percent, the dollar fell against the Deutsche mark. It was pushed down to record lows as the spread widened between U.S. rates and what investors

could earn in Germany, which has raised its rates Thursday. The dollar steadied only on unconfirmed suspicions that central banks were intervening to prop it up after the German and British central banks had moved to support the pound.

In the bond market, long-term U.S. Treasury yields fell one-tenth of a percentage point to 8.10 percent, which pointed to higher bond prices at next week's Treasury auction.

Wall Street reacted strangely. Traders first sold stocks and took profits, driving the Dow Jones industrial average down 31 points. But then they bet that falling interest rates would make stocks more attractive even if a steep recession cuts profits. Blue chips then climbed back toward Thursday's levels.

After the past week's leading indicators and the government's report of an unexpectedly small de-

cline in the GNP late last year, optimism had developed that the recession was bottoming out. Friday's unemployment figures dispelled the false hopes of some forecasters.

The unemployment rate moved from 6.1 to 6.2 percent, and layoffs were 84,000 higher than in December. Almost all sectors lost jobs, especially manufacturing and construction. Hourly earnings and the length of the average work week also dropped.

Further job declines lie ahead: Eastern Airlines' bankruptcy put 18,000 people out of work, and prime Pentagon contractors for a canceled bomber contract are laying off 20,000 workers.

Simultaneously, the National Association of Purchasing Management, whose index is as closely watched by the Fed as the unemployment numbers, reported a de-

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### Allies Capture 500 POWs, Confusion Over Iraqi Thrust



Iraqi prisoners of war in a vehicle near Khafji, Saudi Arabia, on Friday. They were reportedly captured in the battle for the town.

### Troops Mop Up In Khafji

Compiled by Our Staff From Dispatches

Iraq said Friday that it had withdrawn its forces from the Saudi coastal town of Khafji on Friday after a successful operation, but allied commanders said the Iraqis left behind 500 prisoners and many dead after a "stupid" military operation.

Washington, Lieutenant General Thomas Kelly, chief of operations for the Joint Chiefs of Staff, said he could not figure out the intention of the triple-pronged Iraqi attack across the border, including the attack on Khafji, and reported movements of Iraqi troops and armor north of the frontier.

"There was enemy movement in the Kuwaiti theater of operations, and we took action to counter it," he said.

Whether this was part of a plan to mount a large-scale attack on Saudi Arabia, as British military sources suggested earlier, he said: "We simply don't know. We can't read the high command's or Saddam Hussein's mind."

Brigadier General Pat M. Stevens 4th, a U.S. command spokesman, said Saudi Arabian and Qatari troops backed by U.S. Marines took more than 500 prisoners in retaking the town, which Iraqi forces occupied for about 36 hours.

Prince Khalid bin Sultan, commander of the Saudi forces, said his troops killed about 30 Iraqis, wounded many others and destroyed 45 armored vehicles.

"They lost 90 percent of their forces," Prince Khalid said. "With that number of prisoners, they don't have a battalion left and they may have the better part of two battalions not left," said General Stevens. A battalion has up to 800 men.

Iraq has about 500,000 troops and 5,000 tanks in or near Kuwait, according to allied military sources.

A Saudi spokesman said 15 wounded soldiers were killed, 32 wounded and four were missing during "house-to-house, tank-to-tank" fighting in Khafji.

Eleven U.S. Marines were killed earlier in fighting west of the town. The Saudi spokesman said that the Iraqis left behind enough material "to equip an entire armored battalion and an infantry battalion."

The commander of U.S. air forces in the Gulf, Lieutenant General Charles Horner, said the Iraqi thrust into Khafji was a "stupid" attempt by the Iraqi president to seize the initiative after two weeks of hammering from allied air strikes.

"That's the stupidest thing he could do," General Horner said. "Now why is he doing that? To me it occurs one of the answers is that he's desperate, and he sees that he's getting chewed up."

General Kelly said there was no indication that the troop movements in Kuwait were any longer a threat to Saudi Arabia, and some could have been explained by Iraqi units withdrawing after the incur-

See WAR, Page 4

### Key Questions Go Largely Unanswered

By Edward Cody  
Washington Post Service

RIYADH — With U.S. and Saudi military officials refusing to discuss in detail what happened at Khafji, the first ground battle of the Gulf war remained clouded in doubt and confusion Friday well after it came to a successful conclusion.

Khafji, an oil town on the Saudi coast 10 kilometers (six miles) from Kuwait, was hardly a rich military target. The U.S. and Saudi commands have said that the town, once home to 20,000 people, was evacuated and undefended at the time of the Iraqi attacks.

But the ability of an Iraqi armored force to speed into the town and remain there for about 36 hours, within easy reach of thousands of U.S. Marines and warplanes, has raised questions about how the war's initial ground combat played out and what it could mean for the future.

Despite briefings by U.S. and Saudi military officers in Riyadh and in Washington

and dispatches from escorted pool reporters near the scene, the questions have gone largely unanswered.

These are some of the questions raised by the attacks at Khafji and along the border farther west, and the gaps left by answers from the U.S. and Saudi military commands:

How were 11 U.S. Marines killed and two wounded Tuesday night along the Saudi-Kuwaiti border south of Wafra? U.S. military officials have said only that the casualties are being investigated, including an effort to make sure they were not killed by friendly fire. Although 11 is a small number compared to the half-million U.S. servicemen in the region, these have drawn particular attention because they are the first U.S. troops killed in ground combat.

General H. Norman Schwarzkopf, commander of allied forces in the Gulf, said Wednesday that the Marines were killed during a clash in which three U.S. light armored vehicles were destroyed. This has led to assumptions that the Marines burned to death

after their vehicles were hit by Iraqi rocket-propelled grenades, anti-tank missiles or artillery fire.

But these are only assumptions; the military has yet to make clear how the deaths occurred despite repeated questions on the subject.

How could an Iraqi tank battalion move into the Saudi town, even though it is a small one near the border, in the face of U.S. air, sea and land power and Saudi Arabia's own nearby air and ground defenses?

General Schwarzkopf and other U.S. officials have dismissed the Iraqi push as militarily insignificant, saying Khafji was undefended and so the Iraqis could just drive into town.

But the U.S. Central Command, in an official communiqué, announced that two Iraqi armored thrusts on Khafji before dawn Wednesday had been beaten back by "air assets." The command has not explained why, on the third Iraqi thrust toward midday, See COMBAT, Page 4

### Even Arab Foes Laud Hussein's Resolve

By Judith Miller  
New York Times Service

RIYADH — Many Arabs, even some here in the Saudi capital, are beginning to consider each day that Saddam Hussein survives as a victory of sorts for him.

Saudi and Arab diplomats said that in Riyadh, where support for the coalition is strong, many Saudis felt a begrudging respect for the Iraqi leader and enormous relief that he was not crushed in the initial days of the allied invasion.

The ambiguity of Arab reaction is rooted in the humiliation of Israel's resounding victory in 1967 over joint Arab forces, led by Gamal Abdel Nasser of Egypt.

In six days, Israel's military obliterated the Arabs, with few Egyptian fighter planes ever

getting off the ground. The profound sense of shame over this is found, to a greater or lesser extent, among a large majority of Arabs, even those with deep ties to the West.

"In all of our wars," a Saudi professional said, "the Arabs were stopped, or ultimately spared by superpower intervention. But Mr. Hussein is different."

Hussein is steadfast against the world's only superpower and the 28 countries fighting alongside it.

It may well make sense to interpret the flight of Iraq's most modern fighter planes to Iran in this context.

While American and other Western military analysts speculated about what initially

seemed a large-scale Iraqi defection, several Saudi military officers quietly argued that the pilots had flown to Iran to prevent the allies from destroying the planes on the ground, as Israel had done nearly 24 years ago.

Apart from the relief expressed that an Arab leader has avoided humiliation at the hands of the West, there is a deep conviction in Riyadh, Cairo and Damascus that Iraq must not be destroyed or dismembered in an effort to free Kuwait.

Baghdad is seen as a bulwark against the reassertion of Iranian influence in the region, something feared by Saudi Arabia and other countries that have Sunni Muslim majorities.

Animosity between Iranian Shiite Muslims and the Sunni Muslim world increased dur-

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### Kiosk

#### Bush Seeks More 'Star Wars' Funds

WASHINGTON (AP) — President George Bush is proposing a military budget of \$295 billion for fiscal 1992 that includes \$4.6 billion for the Strategic Defense Initiative and money for four B-2 Stealth bombers, congressional officials said Friday.

The request for "Star Wars" funds would, if approved, be \$1.7 billion more than the \$2.9 billion Congress and the administration agreed to last year. Approval for four B-2s would double the number Congress financed last year. The overall Pentagon budget would be a decrease of almost \$4 billion from last year's budget. The budget does not include any of the costs of the Gulf war. The Congressional Budget Office has estimates of the cost to the United States that range as high as \$86 billion.

#### General News

Mikhail S. Gorbachev set up Kremlin delegations for talks with Baltic leaders. Page 2.

#### Money Report

Airline stocks, political risks assessed. Pages 14-15.

#### Business/Finance

Rupert Murdoch's News Corp. was rescued by bankers, who agreed to reschedule \$7.6 billion in debt. Page 9.

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#### Weather Page 2

Gold	NY	Oil	W	W	W	W	W	W	W
Up	\$0.20	Down	\$0.21	Down	\$0.21	Down	\$0.21	Down	\$0.21
\$385.95									



Saudi Arabian soldiers en route to the Kuwaiti border Friday flashing the victory sign from atop an armored personnel carrier.

### Debriefing: Day 16

#### Sorties

More than 2,500 allied sorties flown Friday, for a total of more than 35,000 in 16 days of war.

No Iraqi Scud missiles reported fired Friday at Israel or Saudi Arabia. 27 were fired earlier at Saudi Arabia and 27 at Israeli-controlled territory.

#### Losses

16 more allied soldiers reported Friday to be missing in action, raising totals to 23 Americans, 8 British, and 1 Italian.

30 Iraqis killed and 33 wounded in border fighting at Khafji, according to reports Friday.

More than 400 Iraqis were taken prisoner in the border fighting. Previously, 391 Iraqi POWs were reported.

1 U.S. plane confirmed lost Friday. 26 allied planes lost earlier, including 17 U.S., 6 British, 1 Kuwaiti, 1 Italian, and 1 Saudi.

No Iraqi planes reported destroyed Friday; earlier toll was 53, including 27 in air-to-air combat and 26 on the ground. By Friday, up to 98 Iraqi aircraft had been flown to haven in Iran.

41 Iraqi naval ships sunk or disabled. No new reports Friday.

#### Iraqi Claims

30 "air targets" reported downed Friday. Earlier total was 263 planes and missiles. Iraq now refers to action against "air targets" without further detail.

90 Iraqi soldiers killed; 320 Iraqi civilians killed, 400 injured.

#### Terrorism

U.S. has cited 70 acts of terrorism worldwide against allies since war began, including planned actions thwarted by security forces.

#### Assessment

"We watch it very carefully and we have superb resources to track what the enemy is up to. He may be moving simply to escape the punishment he is suffering from our air attacks." — Brigadier General Pat M. Stevens 4th.



# Gorbachev Appears To Give Concessions On the Baltic States

By Francis X. Clines

**MOSCOW** — President Mikhail S. Gorbachev eased his hard-line pressure on the Baltics' independence drive Friday and appointed Kremlin delegations to begin a "discussion of issues" with the embattled republics.

The Soviet leader's reversal toward a more conciliatory approach followed worldwide criticism of his handling of the Baltic crisis in which a score of civilians have died in recent weeks at the hands of Soviet soldiers.

The Kremlin announcement carried no specific promise of detailed independence negotiations long sought by Baltic separatists.

Rather, Mr. Gorbachev's decree, which was later significantly qualified by the president's aides, seemed designed mainly as the sort of signal of a "move away from violence" that President George Bush said he expected after expressions of concern to the Soviet leadership.

The initial reaction from the Baltics was wary at best, with President Vytautas Landsbergis of Lithuania objecting in particular to the fact that Moscow continued to object to the breakaway republics' laws of sovereignty and to refer to the "Lithuanian Socialist Republic," almost 11 months after the democratically elected parliament proclaimed independence.

"It is not a sign of good will," Mr. Landsbergis said in Vilnius, the capital, concluding that the wording of the presidential decree "signifies that Lithuania must first capitulate" for discussions to proceed.

But Mr. Landsbergis, speaking from his barbed-wire parliament building, added, "It seems some talks and discussions will take place and maybe there will be some better prospects."

Prime Minister Edgar Savisaar of Estonia also reacted with doubt that the new discussion commissions could achieve any breakthrough. He said individuals and pro-Moscow organizations "which were earlier forced to retreat are now trying to get their revenge," according to a report on the independent news service Baltfax.

Speaking for the Kremlin, Rafik N. Nishanov, chairman of the Council of Nationalities, a chamber of parliament, stressed that while the promised discussions were under way it would be "necessary to freeze anti-constitutional" laws enacted by the republics "and not to enact new such decisions during this period so as not to aggravate the situation."

Mr. Gorbachev had no personal comment on the creation of the separate Kremlin commissions authorized to travel to the three republics — Lithuania, Estonia and Latvia — that the Soviet Union forcibly annexed in 1940.

The commissions include political and military officials empowered by Mr. Gorbachev "to discuss a package of political, social and economic issues," according to the announcement by Tass, the Soviet press agency, which emphasized that a "discussion of issues" is something less than full negotiations.

Even so, the presidential decree promises to move the simmering Baltic crisis back toward the quieter discussion stage that had fitfully existed before the Gorbachev government, in facing hard-line pressures from the military and police, resorted last month to direct military forces in Lithuania.

To the alarm of Soviet reformers, the first of the newly decreed mixed patrols of army and police were deployed in major Russian cities Friday.

Initial reports indicated that the patrols met with no resistance, but the situation was different in the more rebellious republics, where the use of the army for policing duties has been denounced by independence-minded republican leaders.

The evening news program "Vremya," which has increasingly become a mouthpiece for Mr. Gorbachev, reported that soldiers did go out on the streets of the Lithuanian capital, Vilnius, almost Thursday night without incident.

But the camera showed three soldiers patrolling alone, and the announcer noted that Lithuanian policemen had refused to join them.

The republican governments of Armenia, Georgia, Moldova and Estonia also rejected the joint patrols, but reports from those republics indicated that no patrols were mounted.

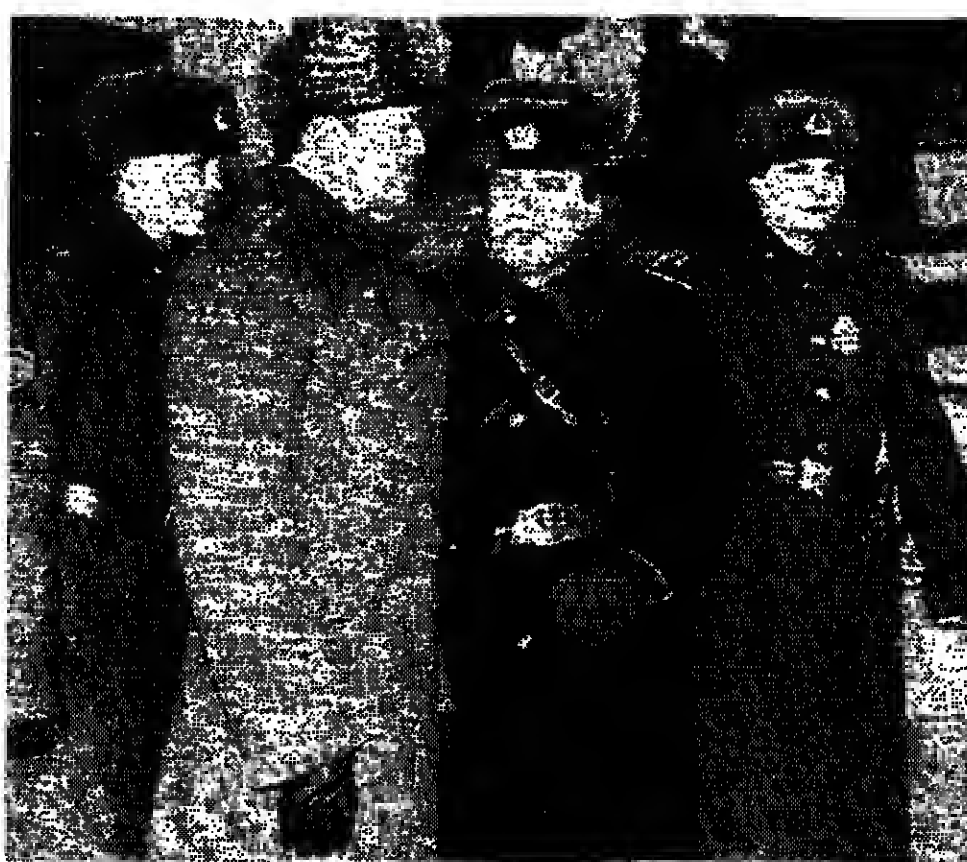
## 2 Liberals Sanctioned

The recent turn toward conservatism was evident Friday when the Soviet Communist Party said it had dropped a radical member from its leadership and indicated it would expel a former Kremlin aide after both had outspokenly criticized Mr. Gorbachev, Reuters reported from Moscow.

The Central Committee, in a decision published in the party daily Pravda, said that Alexander Gelman, a playwright, had "lost links with the party" and had been dropped from its ranks.

It also censured Stanislav S. Shatalin, once the president's main economic adviser, Mr. Shatalin told Mr. Gorbachev last month that he was capitalizing to military and Communist hard-liners and doing nothing to stave off economic disaster.

The Central Committee, which met Thursday, said the views expressed by Mr. Shatalin, a scholar who was a member of Mr. Gorbachev's now dissolved Presidential Council, were incompatible with membership of the party.



A Soviet Army officer, second from left, conferring with a police official, second from right, in Moscow as mixed patrols of army and police got underway in major Soviet cities for the first time.

## Alter Export Laws, U.S. Told

By John Markoff

**NEW YORK** — A National Academy of Sciences panel has called for drastically simpler export controls but said the United States must not halt its efforts to keep high-technology equipment from the Soviet military.

In a study requested by Congress in 1988 and made public Thursday, the agency called for changes in the administration of export controls, creation of a policy-making group on export control issues and efforts to limit the spread of missile technologies and chemical, biological and nuclear weapons.

The report reflects a deepening international concern with the spread of weapons that has been reinforced by the war in the Gulf.

"The mood has shifted," said Paul Freedman, a former undersecretary of commerce for export administration and now a trade consultant for a Washington law firm.

After members of Congress study the report, its recommendations will be passed on to the White House.

In the last year, some American industry executives have called for a dismantling of the Coordinating Committee for Multilateral Export Controls, an allied organization established after World War II to control trade with the Soviet Union and the Eastern bloc.

But the report's authors said the West's strategy should be to continue to limit high technology from reaching military users while trying to permit commercial uses.

"There are questions about where the Soviet Union is going that weren't on people's minds a couple of months ago," said Roland W. Schmitt, chairman of the panel and president of Rensselaer Polytechnic Institute in Troy, New York.

"We were aware that changes there would be dramatic and would continue to be dramatic. Our objective was to create a framework that would work regardless of the world situation."

The report calls on President George Bush to issue a national security directive to create an organization called the Export Control Policy Coordinating Committee, which would formulate policy and resolve disputes between agencies.

Such a step would centralize export policy, now carried out by a variety of interagency working groups.

The report also proposes that the government create a "one-stop shopping" mechanism to smooth the licensing process for American companies. Currently, there is a complicated referral process that shifts export licenses to different government agencies for approval.

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## Arms Pact: Progress on One, Hurdle On the Other

By Don Oberdorfer and R. Jeffrey Smith

Washington Post Service

**WASHINGTON** — The United States and the Soviet Union made progress this week toward completing the treaty to reduce strategic arms, but they remained at loggerheads on Soviet compliance with the recently signed Conventional Forces in Europe Treaty, according to Bush administration officials.

The Soviets offered a "package deal" to settle most of the outstanding issues in the way of the START treaty, according to Soviet officials, but the United States has not formally responded.

On several issues, the U.S. officials said, Soviet negotiators recommended agreements that had been reached tentatively in December when Secretary of State James A. Baker 3d met the Soviet foreign minister, Eduard A. Shevardnadze, in Houston.

The moves this week followed a temporary Soviet Foreign Ministry suspension of some parts of the deal, apparently under pressure from the General Staff of the Soviet Armed Forces.

After Mr. Shevardnadze's resignation in December, which may have been prompted partly by his disputes with the Soviet military, "they walked back some of what we had agreed to at Houston," a senior U.S. official said. In the past few days, "they walked back partially on the walkback," he added.

The areas where the Soviet Union returned to previously negotiated agreements, according to U.S. sources, were issues concerning perimeter monitoring of missile production and Soviet inspection of the B-1 and stealth bombers. A disagreement about future construction of SS-18 missile silos also was resolved, sources said.

The Soviet negotiators made proposals in two other disputed areas: the definition of permissible "throw-weight" or rocket-lifting power, and limits on the number of warheads permissible on some multiple-warhead missiles.

A U.S. official disputed a Soviet contention that the two sides agreed to put aside a disagreement over coded missile test data.

The two sides also could not agree on what Soviet reductions are required by the treaty limiting conventional arms in Europe, signed by the leaders of the United States, the Soviet Union and 20 other nations in Paris on Nov. 19. To take effect, the treaty must be ratified, but the Bush administration has told the Soviets it will not submit the treaty to the Senate until the current disputes are resolved.

**Risk of Failure**  
Richard R. Burt, the head of the U.S. delegation negotiating a reduction of nuclear weapons with the Soviet Union, said Friday that years of work could be lost if a treaty was not concluded quickly. Reuters reported from Geneva.

"If we fail to agree by the end of February, there is a very real risk that the whole thing could unravel," Mr. Burt said on his return from Washington.

the magazine U.S. News & World Report. Jaron Lanier, a VR pioneer, would prefer to enhance everyday experiences, like dancing with a real person, but he said that both partners are faster, more nimble, more graceful. The pros and cons are already coming in. "Virtual realities do what people want them to do," says Thomas Furness of the University of Washington, "and that is not the way the real world works." But Mr. Lanier says, "Virtual reality is more like the telephone than TV. Watch people on the phone, and they're animated and engaged. In front of the TV, they're passive and dull."

No chemicals are used in cigarettes manufactured by Santa Fe Natural Tobacco, the company says, and its chemical-free American Spirit brand is "a cigarette for the '90s." The Federal Office on Smoking and Health is unimpressed, saying that smoking a supposedly "clean" cigarette "would be like jumping from the 20th floor of a building instead of the 22d."

Arthur Higbee

## WORLD BRIEFS

### Party Urging Palestinians' Expulsion Joins Coalition Government in Israel

**JERUSALEM (NYT)** — The Israeli government signed an agreement Friday allowing the country's most extreme rightist political party, Moledet, to join its governing coalition. The party advocates expelling Palestinians from the West Bank and Gaza Strip.

The accord was unexpectedly signed just before the Jewish Sabbath, and while both Israeli and world attention was focused on the war in the Gulf. The timing was apparently intended to mute protest from foreign governments over the party's views.

Moledet's central platform during the election was the idea of "transferring" as expulsion of Arabs is known in Israel. The party maintains that Israel must retain the West Bank and Gaza Strip and that Palestinians living there should be removed to Jordan.

The agreement gives Prime Minister Yitzhak Shamir a governing coalition of 66 parliament seats, five seats more than the minimum required. Paradoxically, while many leftist opposition parties are expected to object to the agreement, Moledet's ability to influence the government, by joining the coalition and increasing the governing majority, Moledet has actually reduced the ability of the country's small parties to bring the government down.

**Army Moves to Detain Croatian Aide**  
**ZAGREB, Yugoslavia (AP)** — The army suggested Friday that it was prepared to send troops to detain the Croatian defense minister in what appeared to be an escalation of the crisis between the federal military and the secessionist Yugoslav republic.

A statement issued by a military investigative judge in Zagreb said that "competent organs for criminal prosecution of the Yugoslav armed forces" were "undertaking steps" to take Defense Minister Martin Štanić into custody.

The statement, carried by the Tanjug press agency, did not provide any details. A Zagreb military prosecutor ordered Croatian police on Wednesday to detain the defense minister, accusing him of planning attacks on army personnel. But the Croatian leadership refused to order its police to comply. On Thursday, Croatia's leaders and those of neighboring Slovenia walked out of crucial talks with senior Yugoslav officials that had been called in an effort to ease the political crisis.

**Soviet Units Leaving Czechoslovakia**  
**PRAGUE (AP)** — Nearly three-quarters of the Soviet troops that had been based in Czechoslovakia have been withdrawn, the state CTK news agency reported Friday.

"According to available information, some 25.9 percent of the 73,500 Soviet troops still remain on Czechoslovak territory," the agency said. The last Soviet combat units are expected to leave the country by the end of this month and the withdrawal of all other units is due to be completed by the end of June, under an agreement concluded a year ago.

**Poland to Widen Privatization Effort**  
**WARSAW (Reuters)** — Poland plans to widen share ownership and speed the privatization process by issuing free share vouchers to its citizens in the second half of this year, the country's new privatization minister said on Friday.

Janusz Lewandowski said the government aimed to privatize half of Polish industry within three years, but added that this could not be done by "conventional methods."

The program, which is aimed at overcoming a chronic shortage in investment capital, would give all Poles a free stake in privatized firms. Economists believe Polish savings alone would otherwise accommodate only 1.5 percent of the country's industrial assets.

**Strong Earthquake Hits Central Asia**  
**ISLAMABAD, Pakistan (Combined Dispatches)** — A strong earthquake jolted northwest Pakistan, Afghanistan and parts of Soviet Central Asia early Friday, leaving more than 200 people dead and hundreds injured.

Officials said the death toll would probably rise substantially because information was still awaited from remote mountainous areas, some of which were snowbound.

The quake, which measured 6.8 on the Richter scale, caused widespread damage. TASS reported in Moscow that a tremor also shook Soviet Tadzhikistan early Friday. Hundreds of people were admitted to hospitals, many in serious condition. Rescue teams had dug more than 150 bodies from the collapsed ruins of mud and stone dwellings in the worst-hit areas near the Afghan border, officials said. (AP, Reuters)

## TRAVEL UPDATE

### Rome Lacks Tourists, and Romans

**ROME (Reuters)** — The Gulf war, combined with the off-season, has virtually emptied Rome of tourists. And Romans, fearing a terrorist attack in reprisal for Italy's role in the anti-Iraq alliance, are not taking advantage of the emptiness.

Throughout the city, restaurants, shops, cinemas and discotheques are reporting one of their worst seasons. Hotel occupancy rates are off by as much as 50 percent. The Italian travel agents' federation has approached the government for help, saying large-scale layoffs are inevitable if the drop in bookings continues. Car rental firms report business is off by 80 percent.

In Venice, where fears of a terrorist attack led the town council to cancel this year's carnival, the first thing travelers see on landing at the airport is a machine-gun post protected by sandbags.

European airlines passenger traffic in Europe fell steeply in the week after the outbreak of the Gulf war, the Association of European Airlines reported Friday. Traffic dropped 25 percent in the fourth week of January from the year before after falling about 10 percent in the third week when the war began. The group's passenger load factor dropped to 35 percent in Europe in the fourth week compared with more than 50 percent a year earlier. North American traffic plunged in the fourth week in January after growing slightly in the first three weeks. (Reuters)

The Jordanian national carrier, Alfa, said Friday it would resume flights to Oman on Sunday, the Petra press agency reported. (AP)

A road tunnel linking Spain and France was approved Friday by Spanish cabinet as it authorized the signing of an agreement with France on the 6.5-kilometer (5.2-mile) project. Construction will begin next summer in the Somport mountain pass in the northern Aragon region of Spain. The tunnel is to be completed in 1995. (AP)

A burst water main in Budapest flooded an underground rail tunnel and streets in Budapest on Friday, disrupting transport and causing traffic jams. Pedestrian subways filled with water but there were no reports of injuries. The MTI news agency said the rail line, which crosses Budapest from east to west, would not be reopened before Saturday. (Reuters)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	4	1	W	Bangkok	32	24	SE
Antwerp	3	0	W	Beijing	18	10	SE
Athens	12	5	SE	Bombay	30	22	SE
Berlin	4	1	W	Hong Kong	28	20	SE
Birmingham	3	0	W	Kobe	28	20	SE
Bombay	30	22	SE	Manila	28	20	SE
Boston	4	1	W	New Delhi	30	22	SE
Buenos Aires	12	5	SE	Seoul	28	20	SE
Calcutta	30	22	SE	Shanghai	18	10	SE
Cardiff	3	0	W	Singapore	30	22	SE
Chicago	4	1	W	Taipei	28	20	SE
Copenhagen	3	0	W	Tokyo	18	10	SE
Dublin	3	0	W				
Edinburgh	3	0	W				
Frankfurt	4	1	W				
Geneva	4	1	W				
Hamburg	4	1	W				
Heidelberg	4	1	W				
London	4	1	W				
Lyon	4	1	W				
Moscow	12	5	SE				
Munich	4	1	W				
Nairobi	30	22	SE				
Paris	4	1	W				
Prague	4	1	W				
Rangoon	30	22	SE				
Reykjavik	4	1	W				
Rome	12	5	SE				
Stockholm	4	1	W				
Swindon	4	1	W				
Toronto	4	1	W				
Warsaw	4	1	W				
Washington	4	1	W				
Yokohama	18	10	SE				

SATURDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Overcast. Temp. 1-11. (2-11) — 20. NEW YORK: Partly cloudy. Temp. 1-11. (2-11) — 20. MADRID: Overcast. Temp. 1-11. (2-11) — 20. BOMBAY: Partly cloudy. Temp. 28-30. (2-30) — 22. SINGAPORE: Partly cloudy. Temp. 30-32. (2-32) — 22. TOKYO: Partly cloudy. Temp. 18-20. (2-20) — 10. HONG KONG: Partly cloudy. Temp. 28-30. (2-30) — 20. MANILA: Partly cloudy. Temp. 28-30. (2-30) — 20. SEUL: Partly cloudy. Temp. 28-30. (2-30) — 20. SHANGHAI: Partly cloudy. Temp. 18-20. (2-20) — 10. TAIPEI: Partly



# WAR IN THE GULF: In Israel, a military assessment says the country is 'more secure today than two weeks ago'

## Paris Lets As Israeli Politicians Cry War, B-52s Use Airspace Army Says Threat Is Fading

### Spanish Air Bases Have Role as Well

By Alan Riding  
New York Times Service

PARIS — France announced Friday that American B-52s would be allowed to fly over its territory on bombing raids against Iraq and to carry out refueling at a French military base en route from Britain to the war zone.

A government spokesman said that the "temporary authorization" included "conditions" related to conventional bombing and civilian populations.

Britain announced Thursday that it had authorized B-52s to launch raids on Iraq from its territory.

In February 1986, both France and Spain refused permission for American aircraft stationed in Britain to fly over their territory on their way to carry out bombing raids against Libya in reprisal for Libya-backed acts of terrorism in Europe. Since the Iraqi seizure of Kuwait on Aug. 2, however, Spain has provided key logistical support for the American build-up in Saudi Arabia.

Spain has allowed about 6,000 American planes to refuel and collect troops, arms and supplies at air bases at Morón de la Frontera in southern Spain, at Torrejón near Madrid and at Zaragoza in the north. The United States has 76 F-16s permanently stationed at Torrejón under a bilateral agreement.

The official Spanish news agency EFE reported Friday that Spanish Air Force planes had also been ferrying bombs for use against Iraq from Zaragoza to Morón.

As part of its logistical support for its allies, Spain some weeks ago assigned several Hercules C-130s to transport equipment to British troops in the Gulf. Further, American ships have called at the Rota Naval Station on Spain's southern Atlantic coast, and Spain has sent three warships to the Gulf region to help enforce the trade embargo against Iraq. The government has said that its warships would not participate in the hostilities.

Since Spain decided to join the anti-Iraq coalition, the Communist and United Left coalition and some regional parties have argued against Spanish involvement. Over the last two weeks, large anti-war protests have also been held in Madrid and other cities.

In a poll published Friday in El País, 52 percent of the 800 Spaniards questioned said they believed that Madrid's response to the war had been adequate; 15 percent said Spain should do more, and 26 percent felt the country was too involved.

In addition, 65 percent said they believed that the allied offensive was an unjust war; 29 percent said they believed it was just, and 6 percent gave no view.

The B-52s in Spain are based 300 kilometers (190 miles) west of Palomares, the Spanish coastal village where a B-52 dropped four hydrogen bombs on Jan. 17, 1966, after colliding with its refueling plane. No nuclear explosion resulted, but two of the bombs burst on impact and spread radioactive plutonium.

### Palestinian Aide Visited Brussels Twice, Paper Says

Reuters

BRUSSELS — A dispute over a visit to Belgium by an official of a Palestinian guerrilla organization last month erupted again Friday when a newspaper reported the official had also been in Brussels last year.

On Thursday, Foreign Minister Mark Eyskens survived a confidence vote in parliament over the visit on Jan. 16 by the official, Wafiq Khaled, spokesman for the Fatah Revolutionary Council. The group's leader, Abu Nidal, has threatened to carry out terrorist actions throughout the world in support of Iraq.

The episode has deeply embarrassed the government, forcing two of Mr. Eyskens' top aides and a senior diplomat to quit.

The daily De Morgen, quoting diplomatic sources, said Friday that Mr. Khaled had also been given a visa and visited Brussels for a week in April last year. That visit took place during negotiations for the release of a Belgian family held captive by the Fatah Revolutionary Council since 1987, the paper said.

Belgium last month released a jailed Palestinian guerrilla on the same day as the family was freed. But the government denied there was any deal for the hostages.

The Foreign Ministry declined comment on the De Morgen report. Other newspapers said questions remained about the incidents and that Mr. Eyskens' credibility had been damaged.

"Only in Belgium could a deeply compromised public figure sneak away from the disgrace of his mistakes," the daily Dernière Heure wrote. The newspaper Le Soir said Mr. Eyskens could no longer claim to represent Belgium in world affairs.

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By Joel Brinkley  
New York Times Service

JERUSALEM — Although Israeli political leaders continue to offer increasingly hawkish warnings that the nation can wait little longer before attacking Iraq, senior military officials suggested Friday that, in their view, the threat to Israel had seriously diminished.

With every passing day, the Gulf war is working in Israel's favor, Brigadier General Avim Ben-Nun, commander of the Israeli Air Force, said in an interview published Friday.

"Because of the American activities in the Gulf, Israel can see itself as more secure today than two weeks ago," the general said in a Defense Ministry-sanctioned interview published in the daily Yedioth Aharnoth.

The danger of aerial or missile attack, he added, "is gradually being reduced."

## German Anti-Gas Supplies Arrive Amid Israeli Protest

The Associated Press

TEL AVIV — German equipment began arriving Friday to help defend Israel against poison gas attacks, and Israeli demonstrators complained bitterly about the role that German companies played in strengthening Iraq.

Israel has welcomed the German assistance, but anti-German feelings caused by memories of the Holocaust have grown with the danger of Iraqi chemical weapons reaching the Jewish state.

A Boeing 707 carrying gas masks and medical equipment, including injections against nerve gas, landed Friday morning at Ben-Gurion International Airport, officials said.

The German government press office in Bonn said that seven transport planes would carry 330 tons of support goods against

chemical attacks, including gas masks, protective suits, and 110 tons of medical supplies. The Germans also are sending Fox armored vehicles outfitted with gas-detection equipment.

The German ambassador to Israel, Otto von der Gablenz, met with representatives of about 40 protesters who demonstrated peacefully at the German Embassy in Tel Aviv. "Germany stands squarely behind Israel," he said, repeating the assurance the German government has voiced since Israel came under Iraqi missile attack.

He also pledged that Germany would prosecute any of its citizens who helped Iraq extend the range of its missiles or supplied poison gas technology in violation of German laws.

General Ben-Nun and other military leaders said the military was more than ready to act against Iraq. In fact, the general said, "the air force has the means, the ability and a different system from those being used by the Americans" for attacking Iraq's Scud missile launchers.

All that is needed, he added, is "a decision from the political echelon to implement the plans."

All week, senior political leaders have offered loud warnings that Israel was itching to get into the war, chaffing under the continued U.S. requests for restraint.

Several times through the week, Prime Minister Yitzhak Shamir pointedly repeated remarks indicating that Israel was ready to strike, if only the United States would give permission.

Late in the week, Ze'ev Schiff, the respected military analyst for the daily Ha'aretz, wrote that "there are those" in the govern-

ment "who say that the moment is approaching that self-restraint is not producing any more political or other profits and that the danger is overtaking any possible profits."

And in a speech to visiting French Jews on Thursday night, Foreign Minister David Levy warned that "there are limits to Israel's restraint."

Israel, he added, could deal Saddam Hussein a blow "he would not even have time to forget."

Several political leaders and military commentators warned this week that Iraq could soon attack Israel with chemical weapons, as the conventional attacks have thus far failed to draw Israel into the war, which is apparently Mr. Hussein's goal.

Mr. Shamir seemed almost to be daring Mr. Hussein to try that when he said a chemical weapons attack would bring an almost certain Israeli response that would "endanger himself and his country in a grave way."

But Friday, the army chief of staff, Lieutenant General Dan Shomron, said: "We estimate that even if Saddam Hussein has chemical weapons, they are very primitive, and the damage will not be that great."

"It's possible," he added, "that part of them will fall off in the air, and others will fall along the way and won't reach us."

In any case, the military has been saying all along, the greater fear has been that Iraq would use its long-range bombers to drop chemical bombs on populated areas. Such an attack would deliver payloads far larger than even a missile barrage.

But even Defense Minister Moshe Arens, who started the week warning that "Iraq has already crossed the red line," said in midweek that all of Iraq's Su-24 bombers had fled to Iran, nearly eliminating the threat of an air attack against Israel.

"These bombers have the ability



An Israeli soldier checking the pass of a Palestinian on Friday in the occupied Gaza Strip, which has a curfew in place.

to fly from Iraqi bases to Israel without any aerial refueling," Mr. Arens said. "Since they have left Iraq and are now in Iran, it means that aspect of the danger has been seriously reduced."

The government has also tightened censorship regulations in the past several days, to insure that Iraq is unable to learn where his missiles have fallen so he can correct the aim. The government revoked the press card Friday of Theodore Stanger, the Newsweek correspondent, because of censorship violations, thus restricting his ability to work.

Earlier in the week the censor's office confirmed that it had begun monitoring the home telephones of foreign correspondents, occasion-

ally interrupting conversations to warn that the discussions had touched on censorable areas.

On Wednesday, Sari Nusseibeh, a leading Palestinian figure, was arrested on charges of passing information on where missiles landed to Iraq. He denied the charge.

■ **Israel Admission on Codes**

An Israeli military official in Washington has confirmed that Israeli military pilots lack crucial electronic identification codes that would allow their planes to conduct an air raid on Iraqi targets without being accidentally targeted by nearby U.S. and allied warplanes.

The Washington Post reported. Israel "cannot attack" Iraq without first obtaining access to the

codes because its pilots might not survive a flight through the crowded air corridors over Iraq, where U.S. and allied planes are conducting more than 1,000 bombing runs each day, according to Admiral Abraham Ben-Shoshan, the Israeli military attaché in Washington.

Under standard military procedures, planes in a war zone that do not transmit appropriate coded electronic signals identifying them as friendly forces are subject to being shot down. The signals are broadcast by "Identification Friend or Foe," or IFF, transmitters carried by virtually all military aircraft.

Admiral Ben-Shoshan would not discuss whether his government had been rebuffed in a bid to ob-

tain the codes from the United States, in effect blocking Israel's entrance into the Gulf war in retaliation for Iraqi missile attacks on Israeli cities.

But he emphasized that many Israeli officials believed their air force "should be prepared in a way that if a political decision is made, we have the right answer" to respond to an Iraqi missile or chemical weapons attack causing many Israeli deaths.

Pennsylvania officials declined comment on Israeli access to the codes, but one said IFF signals have routinely been changed every half-hour on a prearranged schedule, barring attempts by unauthorized planes to pass unimpeded through the war zone.

## Allied Airmen Should Be Treated as Criminals, Iraq Says

By Alan Cowell  
New York Times Service

AMMAN, Jordan — Countering Red Cross appeals for the humane treatment of downed U.S. and allied pilots, Iraq said Friday that the airmen should be treated as killers and war criminals because of "purported attacks on women and children."

In a broadcast on Baghdad radio, Iraq also renewed appeals to Arabs around the world to "stab" the Arabs' feet and show them only "the glint of your knife."

The president of the International Committee of the Red Cross, Cornelio Sommaruga, urged Friday that war prisoners be treated according to international law.

Red Cross personnel in Baghdad have not been allowed access to captured allied pilots. The United States and its allies have acknowledged losing 25 planes in the Gulf war. Nine allied pilots have been shown on Iraqi television, apparently in contravention of the 1949 Geneva Convention on the Treatment of Prisoners of War.

"To show respect for the victims and treat them humanely in the spirit of the Geneva Conventions," Mr. Sommaruga said in Geneva, "is to recognize a heritage common to all mankind and thus pave the way for reconciliation."

[The Pentagon said it "would fully expect the government of Iraq to treat their prisoners of war as we are treating Iraqi

prisoners of war: that is, in full compliance with the Geneva Conventions."

"It is abhorrent that United States prisoners of war would be treated in any other way," the Pentagon spokesman, Pete Williams, said in Washington.]

An commentary on Baghdad radio, however, declared, "The crimes of U.S., British, French and Italian pilots should be viewed as war crimes."

"Some of these pilots were not satisfied with firing the missiles of their aircraft on residential districts," the radio said. "In a display of rancor and hatred, they went further to use their aircraft machine guns to kill pedestrians in streets and alleys."

"In other words," the commentary said, "they should be dealt with on the

basis of their being killers of defenseless women, children and old people, not as soldiers waging a war against other soldiers."

Iraq's treatment of the allied airmen has raised protests in the United States and elsewhere in the West, and Baghdad suspended its practice of parading bruised and scarred pilots before its television cameras.

But Iraq says it has dispersed the allied airmen to economic, scientific and other installations, where, according to Baghdad radio, one of them has been killed and several others wounded in allied bombing and missile attacks.

The radio also urged Arabs to "stab the nation's enemies in any way you

can," adding: "Do not let them rest. Do not let them see anything except the glint of your knife."

It said Iraq was "standing like a lofty mountain, unshaken and fearless" in its confrontation with the allies, but appealed to fellow Arabs to help it in the war against "evil forces."

"All you have to do is take the first step," the broadcast said. Such incitements to attack Westerners and their institutions are frequent on Baghdad radio.

In its latest communiqué, which made no reference to ground fighting on the Saudi-Kuwaiti border, the Iraqi military said the allies launched 77 raids overnight and lost three aircraft.

## Bush Pledge: No Land War If Unneeded

Compiled by Our Staff From Dispatches

FORT STEWART, Georgia — President George Bush said Friday that allied ground forces would try to drive Iraqi forces out of Kuwait only "if necessary" and when the allies decided the time was right.

"I know you are all wondering if and when a ground war might begin," Mr. Bush said at this U.S. Army post, one of several he visited Friday to bolster morale among families of troops deployed to the Gulf.

"Let me tell you now it will only begin if necessary and when we decide that the time is right," he said. "We will conduct this conflict on our terms, on our timetable, not on Saddam Hussein's timetable."

The president thus sidestepped the question of whether air power alone might force the Iraqis out of Kuwait or whether a land invasion would be necessary and, if so, when.

It is widely assumed, though never officially confirmed by allied authorities, that the coalition high command is working on the assumption that an invasion will be necessary and that the current aerial blitz is a prelude to such an effort.

In emphasizing that the timetable would be set by the allies and not by Mr. Hussein, Iraq's president and military leader, Mr. Bush appeared to be rebutting speculation that recent Iraqi tank forays into Saudi Arabia were designed to lead the allies into beginning a land war.

The president was on a one-day swing through U.S. military bases that have sent troops to Operation Desert Storm.

In his first speech, at Cherry Point Marine Air Station in North Carolina, before a crowd of thousands, many of them wives of U.S. Marines deployed to the Gulf, Mr. Bush said the effort to expel Iraqi troops from Kuwait was on schedule.

"We are on course, we are on schedule and things go well," he said. "Day by day, night by night, Iraq's ability to wage war is being systematically destroyed."

"Our investment, our training, and our planning are paying off," he said. "Achieving our goals will require sacrifice and time, but we will prevail, make no mistake about that."

On subsequent stops, Mr. Bush addressed a similar crowd at Seymour Johnson Air Force Base, North Carolina, and then at Fort Stewart, Georgia.

Mr. Bush met with families of four airmen, two of whom are listed as Iraqi prisoners and two as missing in action. The White House made public no details and did not identify the families. (Reuters, AP)

## The Analysts' View: Day 16

Four strategists pick the major development in the last 24 hours of the war.



Robert E. Hunter, François Heisbourg, Ze'ev Schiff, Abdul-Karim Abou-Nasr

ROBERT E. HUNTER

Vice president of the Center for Strategic and International Studies in Washington.

Because Saddam Hussein is the last Middle East "bully on the block," squabbling in the Western alliance over burden-sharing is likely to be unique. Bush's pledge of an added \$5.5 billion should reduce "German-bashing." But it has a point: Germany pays to consolidate Western strategic gains in Europe, while the U.S. lags far behind. The two countries should set up a swap: German money to America for the Gulf, and equal U.S. funds to aid Central and Eastern Europe. No added cost, but two political benefits.

FRANÇOIS HEISBOURG

Director of the International Institute for Strategic Studies in London.

By continuing to attempt large-scale cross-border operations, Saddam Hussein is providing the coalition's tactical air forces with their greatest opportunity yet: the A-10 Warthogs, the French-British Jaguars and the coalition's anti-tank helicopters can really show what they're capable of. Although it is too early to conclude that the Iraqis are shooting their bolts, they certainly are making the coalition's subsequent ground operations a lot easier.

ZE'EV SCHIFF

Military editor of the Tel Aviv daily Ha'aretz.

The war is providing us with ironic situations that were hardly imaginable before. Saudi planes are participating in the campaign against the Iraqi missiles launched from Iraq from the H2 and H3 airfields. Syria, and of course, Egypt, have recognized Israel's right to defend itself against the attacks of an Arab state. Only Israel's two natural partners to a peace settlement — Jordan and the PLO — are in Saddam Hussein's camp.

ABDUL-KARIM ABOU-NASR

Editor and political commentator with leading Arab publications since 1965; now working with a Kuwaiti daily, Al Qabas.

Both sides, in fact, are trying to delay — perhaps in hopes that it can be avoided altogether — a ground war in Kuwait as a catalyst to end the conflict. Iraqi incursions into Saudi Arabia could show enough fighting spirit and inflict enough casualties to open a debate in the United States about whether a ground assault is really necessary and unavoidable. The allies, continuing to wreck Baghdad's military machine from the air, may open new fronts in Iraq itself.

## Envoy Denies Asylum Bid

Agence France-Presse

WASHINGTON — Iraq's ambassador to the United States, Mohamed Masbat, denied Friday that he was planning to seek political asylum in Austria.

Mr. Masbat, in a broadcast interview from the Iraqi Embassy in

## U.S. Accuses Iraq Of Abuses in Kuwait

By John M. Goshko and Al Kamen  
Washington Post Service

WASHINGTON — The State Department accused Iraq on Friday of murdering, torturing and committing other human-rights abuses in occupied Kuwait. But it also found major shortcomings in the rights records of America's three principal Arab allies, and it criticized Iraq's handling of Palestinian unrest in the West Bank and Gaza Strip.

The findings, which were contained in the department's annual report on human-rights abuses around the world, pointed to a near-universal pattern of abuses in the Middle East, ranging from use of terror tactics in Iraq and Syria to suppression of political freedoms in the other Arab countries.

According to the report, while democracy and personal liberties flourish in Israel, Palestinians in the occupied territories frequently are subjected to harsh and demeaning treatment under the Israeli military's campaign against the Palestinian uprising.

The department specified that improvements made during the

first nine months of 1990 gave way to an upsurge of violence resulting from the tensions of the Gulf crisis.

The annual report, which covers 168 countries, is mandated by Congress and influences the distribution of U.S. foreign aid.

Soviet countries were praised for having allowed a dramatic growth in civil rights by opening the political process, abolishing press censorship, allowing a great degree of religious freedom and permitting independent trade unions to carry out strikes.

But threats to the process included ethnic clashes, instances of violent anti-Semitism and signs that President Mikhail S. Gorbachev would increasingly rely on traditional instruments of force, such as the army and the KGB.

China, which dominated last year's report after the crushing of the democracy movement in 1989, was again harshly criticized.

According to the report, hundreds of people remained imprisoned for their role in the movement, and student leaders were being punished at trials in which they lacked basic rights.

## Quayle Calls Nuclear Arms 'Option' Against Chemicals

Reuters

LONDON — Vice President Dan Quayle said Friday that he expected President Saddam Hussein of Iraq to unleash chemical weapons at some point during the war, and Mr. Quayle refused to rule out the use of nuclear weapons in response.

But the vice president, in an interview that took place before he met with Tom King, the British defense secretary, indicated that the U.S.-led multinational forces arrayed against Iraq were more likely to reply with conventional weapons in the event of a chemical attack.

Mr. Quayle said on the BBC's Radio Four that Iraq had the chemical capability "on artillery and short-range weapons," and that the United States anticipated that "at some time, at his choosing,

he will unfortunately use chemical weapons."

"If in fact Saddam Hussein uses chemical weapons," he added, "one option is to overwhelm him with conventional weapons and not nuclear weapons."

But, he concluded, "I'm not going to rule out any options for the present."

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# WAR IN THE GULF: Washington accuses Amman of importing oil from Iraq

## ARABS: Even Among Foes, There Is Pride in Saddam Hussein's Resolute

(Continued from page 1)

The eight-year war between Iraq and Iran, most Gulf nations with sizable Shiite populations experienced an increase in terrorist attacks during the war.

The conviction that Iraq should be preserved as a regional military power under new management was reflected in a statement issued Wednesday by King Fahd of Saudi Arabia and President Hosni Mubarak of Egypt, who met in the Red Sea port of Jidda for several hours.

The two repeated their call to Mr. Hussein to withdraw and spare his country further devastation. They said an immediate cease-fire was possible if the Iraqi leader, even at this late date, signaled his intention to withdraw from Kuwait.

Representatives of both countries emphasized that the goal of the war was solely to free Kuwait from Iraqi control. In a recent interview broadcast on the BBC, Egypt's minister of state for foreign affairs, Boutros Boutros Ghali, underscored the point by asserting that Egypt could coexist with any Iraqi government that removed its forces from Kuwait, even one headed by Mr. Hussein.

Western and Arab diplomats agreed, however, that neither King Fahd nor Mr. Mubarak expected Mr. Hussein to comply with their demand, and that neither desired such an outcome.

"Neither Egypt nor Saudi Arabia see Saddam Hussein, in any form, as part of the new world order after this war," a Western diplomat said.

Rather, both leaders were said to

be seeking to stem public discontent with the war among Muslim nations, as well as any nascent admiration or fear of the Iraqi president's stand.

"Prolongation of the war is very dangerous for public opinion," a senior Arab diplomat said. "This is especially true since this is a war being fought largely on television."

In his interview on CNN this week, for example, Mr. Hussein repeatedly expressed his unwillingness to abandon Kuwait, his determination to keep on fighting and an utter conviction that Iraq would prevail against the coalition's overwhelming military might.

Some Saudis who watched the interview said they were bewildered by his obstinacy, given the military odds against him. But others said they were impressed by the Iraqi leader's apparent calm and self-control.

"This is a part of the world in which force and strength are respected," a Saudi official said. "And even though we are opposed to him in this struggle, many here still admire, despite themselves, what they view as his steady resolve."

## WAR: 500 Iraqi POWs

(Continued from page 1)

General Stevens said of the massing of Iraqi troops and armor in the desert:

"We watch it very carefully and we have superb resources to track what the enemy is up to. He may be moving simply to escape the punishment he is suffering from our air attacks."

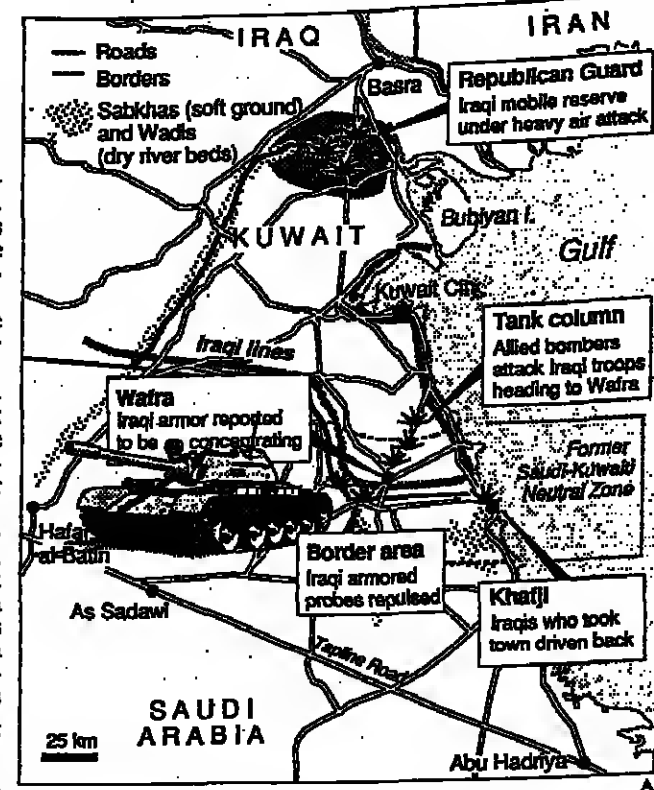
Despite General Kelly's statement that Iraqi maneuvering in Kuwait did not appear to present an immediate threat to allied forces, Iraqi front-line positions were being hit again and again in hundreds of sorties by allied bombers, including B-52s. "When tanks and armored come out of prepared positions they are an easier target," General Kelly said.

Although allied commanders said the attack on the uninhabited town was insignificant and even puzzling from a military point of view, Iraq claimed it as a great victory and a turning point in the war before Baghdad radio on Friday announced that Iraqi units "completed their withdrawal to their original positions from which they advanced towards Khafji."

British military sources, stressing that their information was incomplete and their conclusion tentative, said they believed the Khafji raid was part of a four-pronged incursion across the border that was thwarted by artillery and aerial bombardment.

One military source in London said, "It is clear from the number of casualties the Iraqis have taken, and the number of prisoners of war, that there was something bigger that got hung up and didn't develop as they foreseen."

The land incursions and the simultaneous movement of a number of small ships in the Gulf may have been part of "a bigger operation



## U.S. Says Jordan Is Violating Embargo

WASHINGTON — The United States said Friday that Jordan was importing oil from Iraq in violation of the UN embargo against Baghdad.

"Although we admit that Jordan has been heavily dependent on oil imports from Iraq," said the State Department spokesman, Margaret A. Tutwiler, "such imports are a clear violation of UN Security Council Resolution 661, and the sanctions committee has never approved an exception for Jordan."

She said she did not know whether this meant that the United States felt free to attack oil-tanker trucks traveling from Iraq to Jordan.

Jordan has taken measures to reduce fuel consumption after accusing the allies of bombing Jordanian tanker trucks, killing five drivers as they ferried crude oil along the Baghdad-Amman highway.

Despite its overall adherence to United Nations sanctions, the cost of which has been estimated at \$1 billion for Jordan so far, the country has continued to receive oil from Iraq.

Saudi Arabia, the next nearest supplier, has cut off emergency oil supplies to Jordan. It has also banned Amman's products from entry to Riyadh, and expelled at least 50 Jordanian workers.

### ACROSS

1 A 1977 movie  
5 "Babylon," e.g.  
8 "But war's..."  
14 Cowper  
15 Pollution  
16 Clauses  
18 Shirley  
20 Temple's first  
21 Thin layer  
22 Famed hill  
23 Fusses  
24 Custer's last  
25 "The guests"  
26 Coleridge  
27 Time periods  
28 With 65 Across, source of 40 and 87 Across  
29 "Brith"  
30 Rolling stock  
32 Nap in Nayarik  
33 Sell or tell  
35 Science that's on the rocks  
36 Ticked off  
39 — de plume (pen names)  
39 Writer  
40 Calderon  
40 Start of a quotation  
40 Inductance unit  
50 White bubbles  
51 Covenant

52 Greek peak  
53 College studies  
54 Blame bearer  
55 Occur as a consequence  
57 Understood  
58 Also  
59 Facility  
60 Singer Laine  
61 Schism  
62 Imagos  
63 See 27 Across  
64 Set back  
67 Family of Port. roy's creator  
71 City south of Moscow  
73 City south of Moscow  
74 Graf  
75 Cavalier  
76 Mold  
77 Expert  
81 Salutation of a sort  
82 Meerschaum  
83 All atwitter  
84 Dock support  
85 A. F. links  
86 First Comb.  
87 End of the quotation  
92 Wallet stuffers  
93 She may wear a chador  
94 Munters' pet  
95 Divulges  
96 Order from  
101 Kind of license  
105 He wrote "I, I, I"

106 Dish for a king?  
107 Author of the quotation  
108 Indigo  
109 Obscure  
110 Belam, Brazil  
111 Dagger of yore  
114 Canonical hour  
115 Tao-lin of Manchuria and  
116 Balm  
117 To be, to Bernadette  
118 bien  
119 Begun  
120 Canapes  
121 Be zetic

DOWN  
1 Girasol  
2 Spokes  
3 Complete copy  
4 Tax men  
5 Token  
6 Sometimes  
7 "Happy Days Are Here Again"  
8 Composer  
9 Dashed estate  
10 Call at a barn  
11 Country-rock group  
12 Parsley, e.g.  
13 What one swallow doesn't make  
14 La Boheme  
15 Chem. ending  
16 Bargain  
17 Cuzco or Lima  
18 Chim's cousin  
19 long-winded orators  
20 Essay  
21 Recount  
22 Simba's sound  
23 Seaver and Sevea  
24 Attendants on Aphrodite  
25 "Dream"  
26 Uncle of Joseph  
27 "They went"  
28 King of Judea  
29 Celebrity following  
30 "Dog Day Afternoon" director  
31 Downs  
32 Column style  
33 Recondite matters  
34 Calais-to-Rouen di.  
35 Sumbather's goal  
36 Hawkeye's unit  
37 Barkin of films  
38 Patricia of films  
39 "Fish Magic" painter  
40 Major chaser  
41 Parry's marmalade covering  
42 G.E.W.B., e.g.  
43 Steady Eddie of pitching  
44 Home of the slave  
45 Coward's "To Stop"  
46 Froth teasers  
47 Murrow's "Now"  
48 Callahan-Roberts song  
49 Basketball defense  
50 Short noncom?  
51 Cry of discovery  
52 Start of a W.S. title  
53 Opossum shrimp  
54 Shams  
55 Ottawa chief  
56 Poison  
57 "Is life—?"  
58 "Mum's the word"  
59 Convent  
60 Rhone feeder  
61 Nerve  
62 Radar action  
63 Lozenge  
64 Greek letter

### Want Tibet? Peruvu It! By Jeanne Wilson

### Solution to Last Week's Puzzle

### COMBAT: Khafji Battle Is Shrouded in Confusion

(Continued from page 1)

the aircraft did not defend the town as they had only hours earlier.

How were the Iraqis able to move on Khafji without being detected well in advance by U.S. satellites, reconnaissance planes, electronic monitoring equipment and U.S. and Saudi observation teams stationed along the border? How big was the attacking force? Brigadier General Pat M. Stevens 4th said Thursday that the Iraqi push into the town on the third day did not represent a failure in advance warning. "In fact, we

probably have the finest ability to see the battlefield of any armed force in history," he said. "So no, I would say there's no failure there, absolutely none."

General Stevens declined to respond to questions why, in that case, the Iraqis were able to move what he initially reported as a light armored battalion, 400 to 500 men with their tanks, across the border and 10 kilometers down the highway without interference from the aircraft that had driven back the two earlier tank columns.

What was the U.S. role in the battle?

General Stevens said Thursday that Marine helicopter gunships supported Saudi and Qatari forces trying to retake the town. But, echoing what General Schwartzkopf said Wednesday, he added: "No Marine ground units were engaged in Khafji."

Pool reports, including television footage, showed that, in fact, Marine artillery units were shelling Iraqi positions around Khafji. In addition, a Marine officer told pool reporters the tale of two Marine reconnaissance teams trapped inside the town who hid from the

Iraqis and called in artillery and gunship strikes during the fight.

General Stevens said Friday that he had used the word "engaged" in the strict military meaning of maneuvering ground troops. The Marine artillery fire, he said, was only "support."

How were Iraqi troops able to control the town for 36 hours?

Saudi forces, who had responsibility for the sector, had a Saudi Marine garrison in Khafji earlier. But the unit was gone by the time the Iraqis attacked, leaving the city empty of Saudi troops when Iraqi tanks pulled in.

It has remained unclear whether the Saudi unit fled after the first Iraqi probes or pulled out under orders at an earlier point. More important, U.S. and Saudi officials have refused to describe what happened: between the Iraqi entry about midday Wednesday and Saudi probes more than 12 hours later that culminated in a successful attack Thursday that included house-to-house fighting.

A senior U.S. military officer said privately that Saudi officers believed during the first hours of Khafji's occupation that they could induce the Iraqi force to surrender.

### Mubarak Sees War as Lasting Another Month

WASHINGTON — The war may last another month at the most unless some surprise development occurs, according to President Hosni Mubarak of Egypt.

Mr. Mubarak pledged that Egyptian troops would remain part of the U.S.-led coalition fighting to drive Iraq from Kuwait even if Israel retained against Iraq for Saudi missile attacks.

"Unless there is something new which we don't know, it may take a longer time," he said in an interview Thursday from Cairo with ABC. "But I don't think in this way it could take more than a month."

"I don't envy his position now," Mr. Mubarak said of Saddam Hussein of Iraq. "What's he going to tell his armed forces?"

"You want him just to raise his hands?" Mr. Mubarak asked. "That means that he is committing suicide."

The Iraqi president said in a radio broadcast last week that Mr. Mubarak would be assassinated by his own people for siding with the allies. Mr. Mubarak brushed aside the threat.

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## DE KLERK: Scrapping the Last Apartheid Laws

(Continued from page 1)

tion to release the black activist Nelson Mandela, who walked out of prison nine days later.

Since then, Mr. de Klerk has repealed the Separate Amenities Act, which had let municipalities reserve public facilities for whites. Among other things, he has opened hospitals to all races and has ended a national state of emergency that restricted political activity.

"In the short span of a single year," Mr. de Klerk said Friday, "substantial progress was made. The government is determined to build on the foundations laid purposefully, efficiently and with due speed."

He added, "South Africa cannot allow or permit the dynamic process of reform to slow down."

As he spoke, the African National Congress launched marches in Cape Town, Johannesburg, Pretoria and other cities to underscore the reality that blacks remain excluded from legislatures.

In Cape Town, Walter Sisulu, a senior ANC leader, addressed a crowd of perhaps 15,000 who had gathered outside City Hall.

"We still do not have the vote," Mr. Sisulu said, "and this is what our people want today."

He added that the scrapping of the acts must be followed by "measures to retrieve the damage they have done."

The elimination of the final laws will signal the legal demise of apartheid. But there remain considerable disparities between blacks and whites in wealth, education and opportunity. Moreover, blacks remain disenfranchised.

Mr. Viljoen said this would have to be rectified in the constitution that President de Klerk has invited black leaders to help negotiate. Mr. de Klerk said in June that it was possible South Africa had seen its last whites-only election.

Foreign Minister R. F. Botha said the measures announced by Mr. de Klerk on Friday were not aimed at eliminating foreign sanctions.

"What is happening today," Mr. Botha said, "is confirming President de Klerk's clear statement that the process towards the dismantling of apartheid and fundamental change in South Africa is irreversible."

Archbishop Desmond M. Tutu, a proponent of the sanctions, said at the ANC march that President de Klerk's speech had made it hard to dispute his seriousness about dismantling apartheid.

"We are getting very near to where it will be irreversible," the Anglican archbishop said. "It is going to be very difficult for us to continue to ask for sanctions."

In his speech, Mr. de Klerk restated his opposition to an elected constituent assembly to draft a new constitution, and to an interim government, which the African National Congress has demanded.

"The idea that the present, legally constituted government should relinquish its powers and simply hand over its responsibilities to some other temporary regime cannot be considered in a sovereign, independent state," he said.

But he suggested that the government might share some of its authority with the Congress and other such extrapartisan groups once the transition to nonracial democracy was under way.

He also said legislation would be introduced to let white communities and black townships establish joint structures, but on a voluntary basis.

Mr. de Klerk spoke even more circumspectly about ending educational segregation, which has engendered conspicuous discrepancies between white and black schools.

"The present educational system shall and must be changed," he said, adding that a single system of government-assisted education had to remain optional for communities.

Mr. de Klerk also issued a separate "Manifesto for The New South Africa," which laid out a set of ideals and values subscribed to by those who supported his agenda for change.

"All the people of our land shall participate fully at all levels of government on the basis of universal adult franchise," one of its principles read.

According to another, "All people shall be equal before the law, and shall enjoy equal rights regardless of race, color, sex or creed."



# WAR IN THE GULF: In Asia, echoes of the conflict resound in the political realm

## The War's Jarring Effect on Pakistan: Fissures With Unpredictable Consequences

By Barbara Crossette  
New York Times Service

ISLAMABAD, Pakistan — Reactions to the war against Iraq have created political havoc in Pakistan, where the government of Prime Minister Mian Nawaz Sharif has been trying to stabilize the country and restart the economy after a year of domestic turmoil.

A rift with unpredictable consequences has opened between the prime minister, who generally supports the Saudi Arabian and allied view on Iraq, and the Pakistani military, which is still smarting from the cutoff of American aid in October.

On Monday, General Mirza Aslam Beg, the army chief of staff, made a speech in which he said that the Gulf

war was part of a "Zionist" strategy that also guided Washington.

Reflecting the view that any Muslim leader was preferable to an assortment of infidels and heretics, he argued that the United Nations had allowed the allied forces to liberate Kuwait and not to destroy Iraq economically and politically.

Pakistan has committed more than 10,000 soldiers to the allied force in Saudi Arabia, but said these were there mainly to protect the holy places.

In a rush to make political capital of popular support for President Saddam Hussein of Iraq, the fragmented Pakistani People's Party still led, in theory, by Benazir Bhutto — has in effect joined ranks with the religious right and the military, who are traditional enemies.

This is taking place against a backdrop of onstop propaganda that favors, and in some cases is paid for, by Iraq or Iran. Tehran apparently hopes to emerge from the conflict with a major role in the Middle East. Pakistan has an influential Shiite Muslim minority in a largely Sunni Muslim country.

Pakistan, a nation not entirely sure of its bearings, is awash in anti-Western polemics. In a country where Christian churches are being stoned because Washington is in charge of the war, there is a daily diet of visceral anti-Americanism and crude anti-Semitism in the press, both English and Urdu.

"Imagine, \$13.5 billion for losing half a dozen lives and some houses," a columnist in The Muslim newspaper wrote Thursday of the Israeli aid request because of its role in the conflict. "Trust a

Jew to make big money out of a minor mishap."

A retired army officer said that many Pakistanis were saying that the outbreak against the West had peaked or reached a plateau and that a large part of the credit for cooling tempers should go to the prime minister.

Diplomats agree that Mr. Sharif, although under pressure from conservative Islamic parties that helped bring him to power, has moved decisively against the mob and those who instigate them. Representatives of Western embassies said they believed that they were well protected.

The government has curtailed, and in some cases banned, the sale of posters with an artist's rendering of the Iraqi president at prayer.

The press attaché of the Iraqi Embassy

has been expelled on charges of fanning large amounts of money to provoke demonstrators and directly instigating protests.

A political analyst in touch with provincial Urdu-language newspapers said Iraqi money was being lavished on propaganda.

There are bold voices willing to counter the trends.

In an interview with The Pakistan Times on Friday, Khaled Ahmed, an editor of The Frontier Post, a Peshawar-based newspaper that has generally been hostile to the United States, said the Islamic world had again fallen for a mythological hero.

"The Muslims have always looked for a savior figure," he said. "They did it to Gamal Abdel Nasser, to Qadhafi, even to Ayatollah Khomeini. Once you

start subscribing to the idea of a savior figure, you enter the realm of mythology, where reason does not work."

The Pakistani and Indian press has given prominence to stories that prove to be cases of disinformation: that Israeli planes are based in Saudi Arabia or Turkey; that Pakistanis and Americans have been shooting at each other, and that Iraq has won a major land battle against allied forces in Khafji. The U.S. Information Service has a collection of such stories.

Pakistanis also get their news from the Gulf through mullahs in the mosques and from foreign broadcasts, including the BBC and the Voice of America. But a student with generally moderate views said this week that when he "wanted the truth," he turned to Moscow radio.

Asked what he meant by the truth, he replied that on Iranian radio he had heard that more than 200 U.S. planes had been shot down. He said that Americans were contending that they had lost only a few, which was clearly a lie.

Pakistan's two largest cities, Karachi and Lahore, receive CNN, but the network is often criticized as too pro-American.

Pakistani publications and the government television network do not report on the war from the scene, however, saying that such coverage is too expensive for a poor Third World country.

"In Pakistan," Mr. Ahmed of The Frontier Post said, "journalism has become the first casualty of this war."

## More Than Principle at Stake?

Market Consequences for Japan Seen if It Heeds Pacifists

By Paul Blustein  
and T. R. Reid  
Washington Post Service

TOKYO — Suppose the Japanese Diet, bowing to widespread public opposition to the war in the Gulf, refuses to approve the \$9 billion contribution that Prime Minister Toshiki Kaifu has pledged for the U.S.-led multinational force.

That scenario was raised this week in a report by the research department of Salomon Brothers Asia Ltd. The investment firm warned of dire consequences for Japanese financial markets if opposition parties force the Kaifu government to weaken its support for the anti-Iraq effort.

As the Diet, the Japanese parliament, became embroiled in a debate over the aid, the Salomon analysts wrote that "confidence in the yen and Japanese assets" are at stake and the markets will be heavily influenced by "the willingness of the Japanese people to accept the Liberal Democratic Party's goal of a broader international role for Japan."

has built up a four-month supply of petroleum, and it has become highly energy efficient, producing about 2.4 times the output with the same energy as it did 15 years ago.

Mr. Courtis contended, however, that Japan had "aimlessly squandered enormous amounts of political capital" because of its hesitant, often fumbling, response to requests for active support from the United States and other nations involved in the fight against Iraq.

## Kaifu Agrees To Offer Only Nonlethal Aid

New York Times Service

TOKYO — Prime Minister Toshiki Kaifu, struggling to gain legislative approval of \$9 billion in aid for the war against Iraq, has agreed to a compromise that would prevent the money from being used for arms, ammunition or other lethal materials, Japanese officials said Friday.

The officials said that instead, the money would be given to the United States and its allies fighting in the Gulf only for "logistical" purposes. As a practical matter, the officials said, this money would then be used for other funds to be spent for the lethal materials needed.

This "vacuum of leadership," and the anger in Washington and other capitals, "sets Japan up for much more intense international pressure to open its markets," he said, adding, "It also means that Japan's economic activity abroad will come under still more intense scrutiny."

Already, critics have sought to use the issue of Japan's Gulf contribution to prod Tokyo into making trade concessions. For example, the chairman of Chrysler Corp., Lee Iacocca, asserted that Japan ought to restrict auto exports because Americans would soon be making sacrifices "in an area of the world that supplies most of Japan's oil."

For now, the sizable sum offered by Mr. Kaifu has drawn expressions of appreciation from members of Congress, and virtually no one is calling on Tokyo to send troops to the Gulf, which would violate Japan's postwar constitution.

The \$9 billion, which would be in addition to \$4 billion previously committed, is equivalent to about \$76 for each Japanese citizen. To cover these pledges, the government has proposed doubling oil taxes, increasing the cigarette tax by 7½ cents a pack and raising corporate tax rates.

Even if, as expected, the \$9 billion is eventually appropriated, obtaining more money from Tokyo for a prolonged war could prove difficult. Local elections are scheduled for April, and the opposition Socialists are planning to make the war a major issue.

All this comes against the backdrop of an economy that otherwise is so robust that the Bank of Japan, which has been hoping for a slowdown to help contain inflation, plans to keep interest rates high for at least a while longer until more clear signs emerge of a cooling trend.

"This is no time to change our policy stance," a senior central bank official said Thursday.

But what would happen to financial markets, he was asked, if the Diet rejected the Kaifu-backed proposal on the Gulf War?

"I don't even want to think of the situation," he replied.



Sergeant Robert Brinkofski, a member of the U.S. Army's 1st Armored Division band, carrying the tools of his trades — a sousaphone and an M-60 machine gun — at a base in Saudi Arabia on Friday.

## Grieving Families: Marines Died Nobly

By Dana Priest  
and David Maraniss  
Washington Post Service

WASHINGTON — Lance Corporal Dion James Stephenson of the U.S. Marines is being escorted home to Bountiful, Utah, by his younger brother Shaun, a fellow Marine stationed in Saudi Arabia where Dion was killed in combat this week.

"Make sure everybody knows what kind of kid he was," his father, James T. Stephenson, a former Marine, said. "He was an American hero. He loved his country."

Like others of his 10 Marine comrades reported killed during a battle with Iraqi troops in Saudi Arabia, Dion Stephenson, 22, was a young man who left behind a promising life when he was sent overseas late last year.

He was a standout as a high school swimmer and soccer player, a popular and handsome teenager who volunteered to tutor children and followed in his father's footsteps.

The almost mechanical image of the Gulf war, created from maps, videotapes and endless numbers at military briefings here and in Saudi Arabia, was suddenly rearranged for relatives and friends of those who died in the first sustained ground fighting since war began Jan. 17.

For them, the focal point was the Pentagon list identifying the 11 dead Marines, all based at Camp Pendleton, California. It included hometowns that evoked the contrast between the ordinariness of daily life in the United States and the complexity of war far away.

On the list was a young man who grew up in a place called Whitehouse. It is a small town in east Texas, named for the old Methodist church, once the only painted building in town. Others lived in towns and cities named Wainane and Wauwatosa, Belvidere and Bountiful, Coulterville and Yellow Meadow.

The young Texan was Daniel Walker, 20. His father, mother and sister, 11, grieved — exhausted and deeply pained but proud of what Daniel had become and why he died.

"Daniel was a good human being that had found himself in the world," said his father, Bruce Nolan Walker, who taught his son how to fish and hunt and to play pool at the table in the garage.

"You hear people say, 'Join the service and become a man.' He truly had. He was proud to be a Marine."

Mr. Walker is seeking to overturn the policy on behalf of all Iraqis who have been affected by it. Pan Am has refused to allow any Iraqis to board its planes since the war in the Gulf erupted two weeks ago.

## Refugee in U.S. Sues Pan Am for Barring Iraqis

New York Times Service

NEW YORK — An Iraqi who was granted political asylum in the United States has filed suit against Pan Am over the airline's new policy of barring Iraqi passengers from all flights, regardless of whether they pose a security threat.

The suit was filed Thursday in U.S. District Court in New York City by Salan H. Salman, who came to the United States in 1984 seeking political asylum.

Mr. Salman, 38, an architect who lives in New York, said in his suit that he tried to reserve tickets for a flight to Czechoslovakia through a Pan Am reservation agent over the telephone Wednesday, but after he told the agent he was from Iraq he was told that he would not be permitted to fly on a Pan Am plane.

Mr. Salman is seeking to overturn the policy on behalf of all Iraqis who have been affected by it. Pan Am has refused to allow any Iraqis to board its planes since the war in the Gulf erupted two weeks ago.

## War Offers Chance to Split With U.S. For Some Southeast Asian Nations

By Michael Richardson  
International Herald Tribune

KUALA LUMPUR — The Gulf war is sharpening differences in Southeast Asia between countries like Malaysia and Indonesia that want to reduce the region's dependence on U.S. protection, and other nations that want to maintain an American military presence.

The Malaysian and Indonesian foreign ministers issued separate calls recently for Southeast Asian countries to take control of their own destiny while the United States and the Soviet Union are preoccupied with problems elsewhere.

The Malaysian foreign minister, Datuk Abu Hassan Omar, said nations should act with urgency to establish a regional order in which they could "play their role in the making of a new Southeast Asia."

He said that in the past "we were too dependent on external powers, that have now been diverted elsewhere."

The Indonesian foreign minister, Ali Alatas, said the strategy of seeking security through military alliances with major powers had proved to be counterproductive and "will indeed become increasingly irrelevant."

He added that Philippines-U.S. security relations should be maintained for some time to "ease the heavy economic burden of defense spending."

Lee Kuan Yew, the former Singapore prime minister and now senior minister, said there were similarities between the histories of Gulf nations and Southeast Asia.

Both regions, he noted, used to be under the rule of European powers and that was a period marked by "a stable balance" between countries. Mr. Lee said that in the case of the Gulf nations, this balance disappeared once the powers withdrew.

Southeast Asia had been able to maintain "some sort of balance," he said, by developing regional cooperation through ASEAN, the Association of South East Asian Nations, while a wider regional balance had been maintained by the presence of U.S. forces throughout the Pacific.

Analysts said Thursday that there had been a divergence among ASEAN countries in the past over the scope of military cooperation with external powers.

Indonesia has strictly adhered to nonalignment, while Malaysia has allowed only limited military cooperation with the United States, Britain and Australia.

To help keep the United States engaged in the region, the Philippines has provided major bases to American forces. Thailand, also a U.S. treaty ally, has allowed American military aircraft to land at Thai bases en route to the Gulf.

Singapore recently offered additional access to its bases for U.S. warships and planes. Brunei, an Islamic sultanate worried that it may be vulnerable to pressure from larger Asian countries, has offered landing rights to U.S. military vessels and aircraft.

But analysts warned that divergent security strategies between ASEAN nations would become more difficult to manage in the future if the politics of Islam con-

tinued to affect relations between the United States and non-Communist countries in Southeast Asia, particularly Malaysia and Indonesia, where Muslims form a majority of the population.

"There is caution in the air about dealing with the U.S. in the post-Gulf war situation," said Chandran Jeshurun, coordinator of the regional strategic studies program at the Institute of South East Asian Studies in Singapore.

The perception that the United States has obstructed a settlement of the Palestinian problem because of its alliance with Israel is a source of considerable tension in U.S. relations with Malaysia, Indonesia and Brunei, analysts said. It also affects attitudes toward the United States among the substantial Muslim minorities of Singapore, Thailand and the Philippines.

Edward Heath, the former British prime minister, denounced his country's attempts to get other nations to help finance its war effort, saying, "We are becoming mercenaries," and adding, "We are just being paid by other people to go and fight. We are back in the 14th century with the Crusades."

Mr. Heath, in an interview on BBC television Thursday, said countries undertaking international obligations "ought to be able to do it on their own strength and their own merit."

Germany this week put up \$270 million (\$830 million) to help meet British costs.

Fifteen nonaligned countries will meet in Belgrade on Feb. 11 and 12 to begin an initiative for ending the war, Tanjong press agency announced Friday. The agency quoted Yugoslav Foreign Ministry officials as saying the conditions were favorable for such an initiative. The participants, which include Algeria, India, Iran and Venezuela, are to seek ways of

eliminating the cause of the crisis and gradually settling all problems in the region.

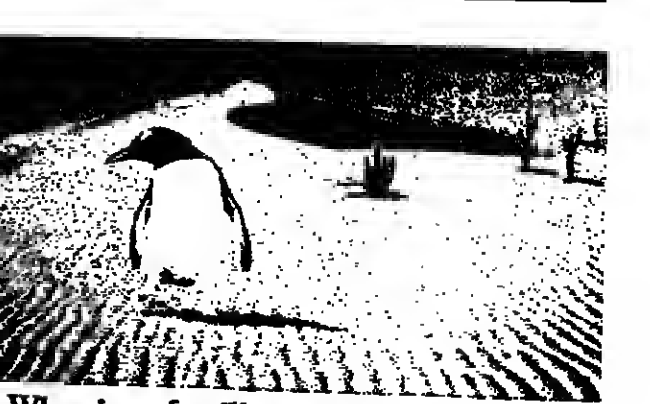
A storm that brought showers to Israel and other Mediterranean coastal countries on Friday will move northeast and bring some rain to the northern third of Iraq on Saturday, according to a forecaster with Accu-Weather, a private U.S. concern. But the southern third of Iraq and other southern Middle East locations will be dry Saturday.

As the storm moves northeast, the forecaster said, a strong cold front will create a line of showers that could reach Kuwait and the Gulf by Sunday. Accu-Weather forecasts for the Middle East are based on satellite photographs, with no ground data available from areas of conflict.

Istanbul riot police used nightsticks to break up an anti-war demonstration that occurred as hundreds were leaving Friday prayers, witnesses reported. No injuries were reported. Witnesses said at least 10 people were arrested. The unauthorized protest, which involved about 400 people, began after a group left Beyazit Mosque, near the Istanbul University area, gathering supporters in a march onto the main street.

The United States has agreed in principle to provide Greece with an unspecified number of Patriot anti-missile missiles, a Greek government spokesman said Friday. The agreement was reached during talks between Foreign Minister Antonis Samaras and Defense Secretary Dick Cheney in Washington on Wednesday. Greece's defense minister, Ioannis Varvitsiotis, said the request for Patriots was not directly linked to the war. He said the missiles were being acquired as part of a program to modernize the armed forces.

Berlin police blocked off streets around the statue of the Goddess of Victory, which is in danger of collapsing after a war-related bomb attack last month.



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# Herald Tribune

Published With The New York Times and The Washington Post

## China Calls It Leniency

"Nei jin, wai song," says China's Communist leadership, meaning that its policy of fierce domestic political repression can coexist with harmonious relations with the outside world. Not so is the outside world's only decent response.

Last week, Beijing convicted and sentenced eight student and intellectual leaders of the 1989 democracy movement, after trials that excluded family, journalists and independent observers. Government-appointed defense counsel readily conceded the defendants' guilt.

Wang Dan, one of the best-known student leaders, received a four-year prison sentence. Ren Wanding, a veteran of the 1978-79 Democracy Wall movement, drew seven years because of his continued intransigence.

Further political trials are expected soon, including those of Wang Jintao, editor of the reform journal Economic Studies Weekly, and Chen Ziming, its publisher. Both risk death sentences on charges of plotting to overthrow the government.

In 1991, flagrant abuse of human rights can no longer be treated as a purely domestic issue. International conventions require conformity with agreed minimal standards. The laws of many democratic countries require more. And hard-headed statesmen and investors are recognizing the links between state violence today and stability tomorrow.

The State Department rightly expresses

American outrage at China's latest imprisonment of people for "nonviolent expression of political views," and questions the fairness of the trials. It suggests the convictions may violate the United Nations Universal Declaration of Human Rights.

That is a welcome surprise. The Bush administration recently renewed its courtship of China's leaders to avoid open Chinese opposition to its Gulf policies. For Washington now to insist on upholding UN human rights principles, even against a permanent member of the Security Council, demonstrates the evenhandedness required for a new world order based on law.

Remarkably, Beijing seems to believe that in these trials it has gone out of its way to be lenient. Workers involved in the 1989 democracy movement were shot in the back of the head. Wei Jingsheng, a young worker who wrote articles 12 years ago insisting that political democracy was essential to economic modernization, has been held in solitary confinement ever since.

Beijing's more modulated repression this time comes after Chinese officials were shocked at the human rights criticism they continue to draw in public in the West. China's response must be considered progress of a sort, encouragement to keep up the dialogue and the criticism; Beijing's behavior falls far short of what the world expects.

—THE NEW YORK TIMES.

## Rough Justice in Israel

Under cover of a genuine war scare in Israel, Prime Minister Yitzhak Shamir's rightist coalition is promoting a spy scare that smells. Sari Nusseibeh, a prominent West Bank Palestinian, was arrested Tuesday for allegedly informing Iraqi targets where Scud missiles had landed — a grave charge if true. Mr. Nusseibeh, who denies doing any such thing, was given a six-month sentence without any trial or formal charges. That looks less like justice than a vendetta.

The day of his arrest, Mr. Nusseibeh met with Israeli supporters of Peace Now, a reputable group favoring territorial compromise with Palestinians. His Israeli visitors complained, justly, about the support to Iraq given by Yasser Arafat's Palestine Liberation Organization. According to Galia Golan, who was among the visitors, Mr. Nusseibeh promised to issue a statement condemning Iraq's use of terror missiles and reaffirming his support for a negotiated settlement between Palestinians and Israel. Hours later, he was in jail.

Why no trial? Security considerations alone cannot explain or justify not holding one. And it would certainly suit the political interests of Mr. Shamir's rightist allies for there to be a trial in which moderates like Mr. Nusseibeh could, if guilty, be publicly discredited. The lack of a trial invites the disquieting suspicion that the government's evidence is, at best, flimsy.

It is hard enough to discuss territorial compromise between Israelis and Palestinians when Scuds are flying overhead and Palestinians remain under 24-hour curfew. But when moderates like Mr. Nusseibeh are jailed as spies, then there is nobody to talk to. That too, of course, would perfectly suit Israeli hard-liners.

In war, what military briefers call "collateral damage" can extend to values. Israel's claim on American sympathies rests most solidly on its respect for law and democratic rights. It will be said indeed if these rights become casualties, too.

—THE NEW YORK TIMES.

## Backing Into Reform

Not voluntarily, President George Bush is going to make banking reform his most urgent domestic legislation this year. It is not voluntary because the bank deposit insurance fund is headed toward insolvency and appears likely to arrive there by the beginning of next year — an election year.

The administration's banking bill, scheduled to emerge soon, will be swept up in violent controversy. But some version of it will be forced to passage by the menace of the impending insolvency. The savings and loan disaster has demonstrated why an insolvent deposit insurance fund is intolerably dangerous. If there is no money in the fund to pay off depositors, the federal regulators will not be able to shut down failing banks — and their losses will continue to multiply.

So who bails out the insurance fund? Robert Reischauer, director of the Congressional Budget Office, warned the Senate Finance Committee this week that its losses over the next two years, assuming the recession is a mild one, may reach \$13 billion. Who comes up with that \$13 billion?

One possibility is to raise still higher the insurance premiums that the banks pay for deposit insurance or to impose other assess-

ments on them. But those premiums and assessments would have to go very high — high enough to interfere with banks' ability to lend. And to recover quickly from the recession, the economy needs a banking system that lends on normal terms.

There is already some anxiety at the White House that the banks are holding back. "Sound banks should be making more sound loans now," Mr. Bush has exhorted them. That makes it risky to try to force the banks themselves to rescue the insurance fund. The other possibility is to allow the insurance fund to borrow from the Treasury with the money to be paid back (maybe) in better times. That idea is greeted with rage by people who see, not incorrectly, another raid on the taxpayer.

But the taxpayer has a much greater interest in a rapid economic recovery than in punishing banks. There will be much more money in the banking bill than the rescue of the insurance fund. It apparently envisions a sweeping reform and renovation of the whole financial system. But the insurance fund and its troubles present the issue that will have to be resolved first.

—THE WASHINGTON POST.

## The High Cost of Health

The cost of employee health insurance in the United States rose more than 20 percent last year for the second year in a row, according to a survey by a consulting firm. Another survey, by the Health Insurance Association of America, puts the increase at about 15 percent, but the head of the insurers' group concedes that "the problem is serious, no matter whose statistics you use."

Health care costs are the great rage force in the U.S. economy. They now equal roughly \$1 of every \$9 Americans spend, and the share is rising; they are eating into the incomes — the ability to buy other goods and services — of all payers, including government. It is not just employers (and employees and customers, to whom they pass along the costs) who have a higher bill to pay. If trends continue, Medicare will be the government's largest domestic program by early in the next century, surpassing even Social Security. Medicaid is already the largest program for the poor as well as the fastest-rising major item in the budgets of most states.

Yet a mostly poor eighth of the population still lacks all health insurance. Millions of poor and near-poor Americans are not well cared for, and the costs of their care are as much avoided as met. As a society, America simultaneously spends too much and misses too many. The system needs reform; reform will come only when a de-

termined administration focuses on and pushes for it, and not easily then; and this administration, not just for fiscal reasons, has thus far put the subject off.

In last year's State of the Union Message, the president asked his health and human services secretary for a review of the "quality, accessibility and cost of our nation's health care system," saying, "I am committed to bringing the staggering costs of health care under control."

The review is still under way, even as in some respects the federal government has exacerbated the problem. To protect itself as insurer, the government has placed new limits on what it will pay hospitals and doctors under Medicare. Employers and private insurers have taken similar steps, and the states, under pressure from Congress to cover more of the poor, have cut back Medicaid payment rates as well. Hospitals, accessibility and cost as they used to be, and undercompensated. In many states they and other providers have gone to court to force Medicaid rates back up.

Reform may require increased spending, but it cannot consist just of that; it will require a reallocation as well. The matter is not going to be resolved in a single Congress or in a single presidential term. But the state of the union as to health care is not good.

—THE WASHINGTON POST.

# The Russian Exodus Ahead, and What to Do About It

By Leon Aron

WASHINGTON — The Gulf war has our immediate attention, but 1991 may become known as the Year of the Russian Immigrant. Indeed, the largest peacetime emigration of ethnic Russians to the West in history is likely to occur. The scale of the exodus may surpass even that of 1918-1920, when nearly 2 million Russians left Russia.

The exact number of would-be immigrants is unknown. However, according to Moscow News, 500,000 Soviet citizens applied for exit visas in the first six months of 1990. Only 41 percent were allowed to leave (Soviet law recognizes "family reunification" as the only legal basis for emigration). But the KGB chief, Vladimir Kryuchkov, estimated recently that exit visas for 1990 may nevertheless reach 460,000. At the present rate of rejection, this means that 1,112,000 Soviets applied to emigrate. And since the great majority of those allowed to leave were Jews, ethnic Germans and Armenians, it suggests that at least 652,000 ethnic Russians have applied to emigrate.

The impetus for this huge movement is no mystery. The Soviet Union ranks 77th in the world in terms of personal consumption; its people are among the poorest. The average Soviet citizen has to work 10 to 12 times longer than the average American to buy meat, two to eight times longer to buy bread. And conditions are only getting worse.

Meanwhile, the dissolution of the Soviet internal empire lends urgency to the issue of exodus. In all, 25.7 million ethnic Russians live outside the Russian republic. Increasingly,

they feel like unwelcome foreigners, especially the 9.7 million living in Central Asia and Azerbaijan. From 1979 to 1989, 1,633,000 more people left the Soviet Central Asian republics than migrated in — most of them ethnic Russians, Ukrainians and Russian-speaking minorities. And the outflow of ethnic Russians is rising sharply.

In March 1990, officials numbered internal Soviet refugees at 500,000. Today, according to Galina Starovoitova, a people's deputy, there are more than a million domestic refugees.

Russia itself is incapable of accommodating the refugees. The most difficult problem is the housing shortage. In Moscow, where most of the refugees come seeking food and shelter, 344,800 families — 12 percent of the capital's population — are on the waiting list for housing.

Today a Soviet refugee is given one-time assistance of 100 rubles and 200 rubles worth of clothes and footwear — virtually nothing. Refugees sleep in offices or are sent to live in children's camps, where conditions are primitive.

A law under discussion in the Supreme Soviet for almost a year is expected to be passed by next summer. It will give every Soviet citizen the right to a passport, valid for five years, for travel anywhere. Once the restrictions to emigration other than for narrowly defined "risks to national security" have been removed, the floodgates will be open. Vladimir Sherbakov, chairman of the Soviet State Labor Committee, estimated

that up to 3 million Soviet citizens will then head West. Some estimates are far higher.

This inevitable exodus poses a serious dilemma for the West. It may seek to restrict the flow, but short of resorting to barbed wire fences and border patrols, it is unlikely to stem it by much.

Most ethnic Russian refugees will travel to the West through Czechoslovakia, Hungary and Poland. The head of Poland's Office of Refugees, Colonel Zbigniew Skoczylas, said in December: "We are making arrangements for this as though it were a second Bolshevik Revolution. We expect Russians to come marching barefoot across the snow."

But the United States seems sure to be the first choice of emigrating Russians. Since October 1989, 600,000 Soviet citizens have picked up emigration forms from the U.S. Embassy in Moscow. As of last June, the Washington Processing Center had processed 150,000 family applications for emigration, representing between 375,000 and 500,000 people.

It is not too soon for the United States to begin thinking about a policy to govern the influx, a policy that should, of course, be guided by long-term U.S. interests. Chief among them is seeing the Soviet Union peacefully evolve toward democracy. If the millions of displaced ethnic Russians are left without hope in their homeland, the effect on the future of the Soviet Union will be devastating.

Current U.S. immigration laws offer little help; fewer and fewer Soviet citizens can demonstrate a "well-founded fear of persecution," and many will be unable to show that they have

skills in short supply in the United States. The United States must respond with a flexible and imaginative resettlement policy. Washington could, for example, develop a joint immigration strategy with Western Europe, which is likely to bear the initial brunt of exodus. Part of this could be accomplished through cost-sharing; the United States, with its tradition of welcoming immigrants and unsurpassed economic opportunities, would resettle the immigrants while Western Europeans help defray the cost.

Second, a special "humanitarian immigrant" category could be added, to aid applicants from countries traditionally denied freedom to emigrate. Some form of public assistance, such as low-interest loans guaranteed by West European governments, may be advisable.

Finally, the United States and its European allies should offer short-term assistance to help resettle Soviet internal refugees who decide to stay in the Soviet Union.

The Russian exodus is an inevitable result of the collapse of the Soviet empire. Only two developments can halt it: restoration of totalitarian controls or a speedy economic and social recovery. What better chance is there for the U.S. administration to do something concrete about Soviet instability — by defusing one of its potentially most dangerous sources, the millions of destitute Russian emigrants?

The writer is senior policy analyst in Soviet studies at the Heritage Foundation. The article was adapted by The Washington Post from a Heritage Foundation Background.

## Enough 'Restraint': Give Israel a Shot at Saddam

By Norman Podhoretz

NEW YORK — Much as I hate to pour cold water into the warm bath of approbation in which Israel's "restraint" has plunged it, the truth is that the Israelis have little choice.

To strike back at Iraq they need U.S. cooperation, in the form of such intelligence data as aircraft identification codes, otherwise they run the unlikelihood of getting into dogfights with American planes. So long as the United States refuses to give them this intelligence they will have to go on taking frequent hits from Iraqi missiles without doing anything in return.

The Israelis are happy to reap whatever benefits they can from this situation, not the least of which is a return to popularity after years of being neglected and snubbed at.

Let after 10 days in Jerusalem I can report that many Israelis suspect they are getting such a good press only because the world is more comfortable with Jews as passive victims to be wept over than as feisty warriors to be reckoned with.

They also worry about the damage their vaunted restraint may do to the deterrent effect of their heretofore invariable policy of making it clear to their enemies that Israel cannot be attacked with impunity.

Most of all, there has been an erosion of the confidence the Israelis originally felt in the U.S. ability to eliminate all the Scud launchers firing at their civilian population. No wonder they are now itching for a shot at this job.

So it would be good for Israel if the United States gave them that

shot. But would it be good for the United States? Official Washington says no, that Israeli entry into the war would drive at least some of the Arab partners out of the coalition.

If that happens, the contribution of the Arab partners to the war effort has either been nullified (Saudi Arabia and Kuwait) or invisible (Egypt and Syria). Nor is it easy to understand why Americans seem to think these states have done them such a great favor in allowing the United States to defend them.

And why does Washington act as though it owes the most tender consideration to the concerns and sensibilities of a terrorist tyranny like Syria, while treating a democratic ally like Israel as an embarrassment?

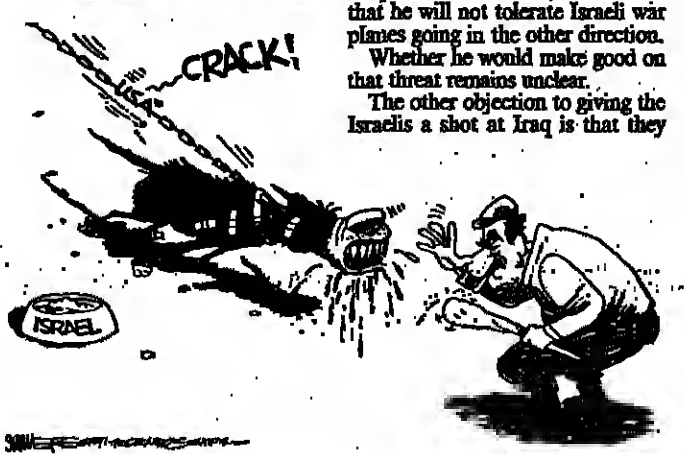
The argument that Israeli entry into the war would shatter the coal-

ition has become less convincing with each passing day. In the very act of joining with the Americans, whom they regard both as Israel's great protector and its docile instrument, the Arab partners implicitly declared that their fear of Saddam Hussein was greater than their hatred of the Jewish state. And ever since the Iraqi missile attacks on Israel began, all of them, including Syria, have explicitly said that they would not leave the coalition if Israel should retaliate.

If there is a problem it is not with the coalition but with supposedly neutral Jordan. If Israel were to retaliate it would have to fly over Jordan, and King Hussein, who sees no violation of his neutrality in the Iraqi missile sailing through his airspace toward Israel, has warned that he will not tolerate Israeli war planes going in the other direction.

Whether he would make good on that threat remains unclear.

The other objection to giving the Israelis a shot at Iraq is that they



would be unable to add anything significant to the coalition's efforts. Yet the Israelis are confident that they could do a better job of destroying the Scud launchers than the U.S.-led forces have done.

Israelis also think they could be more effective against the bunkers in which so many key targets (planes, command facilities, stockpiles of chemical and biological weapons) continue to find refuge.

The reason for this confidence is that the Israeli air force gets far more specialized training than does America's. For example, bomber pilots literally spend years preparing for a single mission — this airfield, that installation. They have missions tailored for particular targets and the know-how to use them.

As the world learned from the rescue mission at Entebbe, the Israelis also excel at commando operations, and such operations could be another way of locating and taking out mobile Scud launchers.

The upshot is that by holding the Israelis back, America squanders a precious strategic asset. The deployment of this asset could help shorten the war by freeing up American planes for other missions. Better still, it could save American lives by increasing the chances of a victory through the use of air power alone.

It is time to stop praising the Israelis for their restraint and to start unleashing them to do what comes more naturally against Saddam.

The writer is editor in chief of Commentary. He contributed this column to The New York Times.

## From Bush, a Shift in Priorities Bordering on Heresy

By Jim Hoagland

WASHINGTON — George Bush delivered a State of the World address to Congress this week, offering a vision of an American future at home that depends on the role America is able and willing to play abroad.

Even for a foreign policy president, this is a remarkable admission. For a Republican president, it borders on political heresy. In its sweep and content, Mr. Bush's speech captured a generation of change and put the seal on the transformation of the Republican Party into the party of internationalism in American politics.

The once isolationist party of Robert Taft has become both presidential and internationalist in the past generation. The two changes are intimately related. Today the Democratic Party's leadership is as isolated from executive power and from a world role as the Republican Party was during the presidencies of Franklin Roosevelt and Harry Truman.

With America's foot fighting in the Gulf, Mr. Bush had to center his second State of the Union address on his foreign policy accomplishments. The fact that he possesses no domes-

tic accomplishments also contributed to this approach. But the way in which Mr. Bush described America's role in the world undermined a reversal of political and national priorities that even the president still grapples to identify and explain.

Mr. Bush's declaration that the United States must continue to bear "the burden of leadership" in world affairs and make the 100 years ahead "the next American century" invites comparison not to Ronald Reagan or even to Richard Nixon, but to John F. Kennedy's call to Americans in his Inaugural Address 40 years ago this month to "pay any price, bear any burden, meet any hardship" in the cause of liberty.

Since the Vietnam War, these are sentiments few Democratic politicians would feel comfortable voicing. Jimmy Carter's inept handling of Iran, of the Soviet Union and of the American economy have reinforced his party's insistence that foreign involvement must now be subordinated to more urgent domestic interests.

Without directly joining the issue, Mr. Bush sketched an alternative vision in which American society profits morally and economically from leading the founding of the new world order Mr. Bush sees supplanting the Cold War. A sharp turn inward would harm American interests, he suggested.

Twice in his speech Mr. Bush emphasized that increasing U.S. exports to the rest of the world was the key to ending the recession quickly. Trade with Japan, the European Community and the rest of the world is the key to "exporting jobs and new growth" at home and abroad, he said.

Mr. Bush repeatedly spoke of burden bearing instead of burden sharing, which became a major topic for Senator George Mitchell in the Democratic response to Mr. Bush.

Mr. Mitchell, of course, was playing defense against a wartime president. Even so, his response seemed remarkably subdued. The America that emerged from his words is one that is tired, in debt, more eager to lay

downt its external burdens than at any time in a half century. He presented the decline view that Mr. Bush had preemptively dismissed.

Many Democrats believe today that their party was gravely wounded by the blunders committed by Mr. Kennedy's Inaugural Address and Lyndon Johnson's interpretation of it. That helps explain why Mr. Bush's America resembled Mr. Kennedy's America described by Mr. Mitchell.

But the Democratic renunciation carries a cautionary meaning for Mr. Bush. He does well to recognize, as I believe he does, that while his rhetoric can be Kennedyesque during the war he will have to guide America into a far less expensive postwar role.

Mr. Bush faces an entirely different context than did the young Democrat. Mr. Kennedy embodied the confidence and vigor of a generation just coming to power at a time of decolonization and ideological conflict in the Third World.

Mr. Bush in fact belongs to that same generation. He and John Kennedy were veterans of combat in the Pacific. Mr. Bush's presidency, likely to be the last of a World War II veteran, effectively ends that generation's hold on power.

He will bequeath a changed world rather than embody it, as Mr. Kennedy hoped to do. The peace that Mr. Bush will identify America with in that world must be a more important part of his legacy than the war he is waging today.

The Washington Post.

## 100, 75 AND 50 YEARS AGO

1891: Alliance Is Secure

BERLIN — All the leading Berlin papers, in commenting on the retirement of Italy's premier, Signor Crispien, agree. Their editorials are quiet in tone, and express confidence in the maintenance of the Triple Alliance under any circumstances, although they consider that the future of Europe will be more uncertain if Italy should have a weaker Government. The same feeling prevails in political and governmental circles. No anxiety is felt, even as the Triple Alliance has survived the retirement of Prince Bismarck and M. Tiers, Signor Crispien's fall will not affect it.

1916: Foreigners at Risk

PETROGRAD — News from China is becoming disquieting. The Japanese consuls are demanding that a gunboat be sent into the Yang-Tze-Kiang, as the lives of foreigners are threatened. The Republican troops are advancing from the west of Tse

Toumen and from the south of the Yun-nan. At the head of the troops of the Yun-nan is General Tan, a commander who is very popular and who received his military education in Tokio. The Mongolian insurgents have crossed the Great Wall and are continuing their march on Peking.

1941: Transvaal Unrest

JOHANNESBURG — Rioting in which soldiers fought civilians suspected of anti-British sympathies have broken out in this Transvaal Province city. The wildest scenes occurred last night [Feb. 1] and today, when thousands of police and street fighters were involved. Police resort to tear-gas, bombs, and baton charges. The disorders were traced to differences between soldiers and civilians, following a meeting Friday of the Ossewabrandwag, an organization standing for extreme republicanism and considered to be anti-British. — From the New York edition of the New York Herald Tribune.



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## Lots of Money Chases Some Modest Wares

**L**ONDON — If the round of sales held on Wednesday here and in Paris are anything to go by, the lower end of the market is thriving and the French are doing at least as good a job as their English colleagues.

The focus in London was on English drawings and watercolours, a subject close to the heart of grassroots Britain. There were two sales, one at Sotheby's and a smaller one at Christie's South Kensington, both starting at the same time. There was no need for this. Not much is going on right now and Sotheby's had no other sale in the morning. But a new stridency is becoming audible in the competition between the two houses.

This may have been counterproductive, particularly for Sotheby's. What makes such car-

the drawing is as good as anything in Rowlandson's oeuvre. It sums up his sense of cozy helplessness. The hapless auctioneer may have felt like one of Rowlandson's characters as he

### SOURIN MELIKIAN

brought down his hammer on a mythical £630 bid.

He had better luck with the next lot, "The Ballad Sellers." The draftsman's work is not nearly as good but the sarcasm is more acid. It gives the drawing more punch, which is what matters in such cartoons. The sellers in question anticipate the funny couples of the late French cartoonist Dubout — a formidable looking lady of vast proportions is seated on a bench, bearing in hand, almost pushing her tiny companion off the edge. Grotesque bystanders peer at sheets

Trossachs," sold for £11,000, says all about the vigor of the market even if Sotheby's hoped to get anything from £10,000 to £15,000. With its picturesque thatched house and its flock of sheep trotting up a country lane, this is a suitable image for a post office calendar. So is Helen Allingham's £21,000 "Kensington Garden," enhanced by a better sense of color, but equally true.

Pre-Raphaelite art, typified by Dante Gabriel Rossetti, with its wooden characters, hopelessly aiming at tragic effect, is as popular as ever. A study in pencil of two women embracing each other, whose faces are meant to express the sadness of forbidden love and merely manage to look peevish, shot up to a steep £4,840.

An unspeakable damb, Charles Edward Wilson's "Millmaid on a Sled" (dated 1907, sold for an eye-popping \$4,620) although, yet again, not quite enough to please Sotheby's, which expected \$5,000 to \$7,000. It all culminated with Benjamin Walter Spier's outsize watercolor, 68.5 by 122 centimeters, of what appears to have been an antique dealer's shop in 1882. Painted in minute detail, from a Japanese dish in Inuit porcelain set on a low cupboard to the Smyrna rug thrown on the floor, it is of some documentary interest. Not even Sotheby's, whose ambitions oscillated between \$5,500 and \$7,700, got anywhere near meeting the final price — \$35,200.

Unexciting as they may have been and hampered by their unrealistic estimates, the watercolours sold that day still added up to \$306,911. The buy-in rate of 27.3 percent in value could have been a lot worse.

If London did well with its undistinguished wares, Paris outdistanced it by several lengths. The 155 Old Master paintings dispersed that same Wednesday by Jacques Tajan, of the Adèle Pichard Tajan group, followed by another 158 on Thursday, made up the most important assortment of odds and ends. These ranged from works in dilapidated condition to hosts of others vaguely attributed to "the circle of" or "the studio of" masters who for the most part were not themselves particularly well known.

**T**AJAN confesses that he had the fitters as he ascended the podium. Then, as he saw the vast space filled to capacity and as he managed to sell one improbable picture after another, he gradually took heart. It may sound like a joke, but two panels hopelessly peeling off despite extensive 19th century restoration, and vaguely ascribed to the "workshop of Paul Verpée," a 15th century Catalan primitive, cost their buyer an astounding 49,265 francs (\$9,800). Nor is it particularly easy to sell, even for \$6,695 francs, an 18th century Dutch still life in the style of the 17th century artist Jacob Marcell.

Higher in the financial scale, Tajan made a few more difficult scores. The portrait of an evangelist by Claude Vignon, damaged along the lower edge and limp, brought 160,723 francs. Its quality is unquestionable but there are few buyers for such stern religious subjects. A pair of landscapes made as wall decorations by the 18th century Parisian artist Nicolas-Louis Ponce, 17th century artist Jacob Marcell.

Higher in the financial scale, Tajan made a few more difficult scores. The portrait of a little girl holding cherries "from the circle of François-Hubert Drovais" soared to 224,414 francs. Four out of five pictures went to private buyers. Indeed only amateurs spending money purely for pleasure would consider the still life in the manner of Marcell or the little girl with the cherries. By the end of the second day, the total sold exceeded 7 million francs with a failure rate just under 28 percent.

Throughout the week the message flashed by Paris sales was the same. Private buyers are spending a lot of money on modest wares.



Caspar David Friedrich's "Evening Landscape With Two Men": Man communing with unfathomable nature.

## A Quintessential Romantic Painter

By Michael Kimmelman  
New York Times Service

**N**EW YORK — Few romantic artists may seem more familiar — and are more elusive — than Caspar David Friedrich.

No artist embodies more fully than Friedrich the Romantic obsessions with death and mysticism. Friedrich's lonely figures whose backs have been turned toward the viewer, eyes fixed on the abyss, typify the Romantic hero, the solitary man communing with unfathomable nature.

Yet there is only one painting by Friedrich in the collection of an American museum, and until now there has never been an exhibition in the United States devoted to his work.

"The Romantic Vision of Caspar David Friedrich," at the Metropolitan Museum of Art in New York City, through March 31, brings together 20 paintings and drawings from Soviet collections.

Half a dozen woodcuts belonging to the Metropolitan and done by the artist's brother, based on Friedrich's designs, supplement the display. The show has been organized jointly with the Art Institute of Chicago, where it was first seen, in exchange for works lent to the Hermitage in Leningrad.

Hardly constitutes a retrospective. Virtually all the artist's important paintings are in German museums. Viewers in the United States have been given only glimpses of what Germany possesses by Friedrich. Surveys of 19th century German art — one that toured the country in 1970-71, and another that came to the Metropolitan in 1981 — included a few outstanding examples, as did an exhibition of drawings from East Germany, which came to the Morgan Library in 1988.

**A**MONG the Soviet works, many bought by the Russian imperial family, are a couple of paintings and as many drawings that must be considered crucial to the artist's achievement. One of these is "On the Seaboard," the painting from around 1818 that depicts a couple, perhaps Friedrich and his wife, perched on the prow of a boat whose billowed sails carry it swiftly toward a distant harbor.

Another is "Window With a View of a Part," a drawing of unknown date that epitomizes Friedrich's exquisite draftsman's eye.

Both of these works illustrate the minute distortions of perspective, the ambiguities of space, the curious positioning of the viewer in relation to the images that are typical of the artist.

Through such devices Friedrich suggests that his works represent not precisely what is seen but what has been reconstituted from memo-

ry. He achieves something of the same result through the unreal lighting of the landscape entitled "In Memory of the Riesengebirge."

The invocation of memory helps to endow his work with its mood of loss and longing. Friedrich's paintings have often been interpreted strictly as Christian allegories. But they speak most eloquently in a voice whose calculated imprecision and incompleteness are hallmarks of Romanticism.

If there are only a few splendid Friedrichs from the Soviet Union, this is nonetheless the sort of exhibition whose sum is greater than its parts. It should dispel any impression, fostered by reproductions that obscure the subtlety of his technique, that Friedrich was merely a stage painter of esoteric Christian iconography.

His best paintings and drawings reveal themselves in actuality to be ravishing objects. The thin glazes he painstakingly applied to his canvases created a glossy, reflective sheen that cannot be reproduced in photographs.

No reproduction could capture the subtle unfolding of space in "The Nets," from darkened foreground to the stormy sea and clouded sky through which the moon can be partly made out, like an eye peering surreptitiously back at the viewer.

Nor could reproductions capture the shimmering pinks in Friedrich's rendition of two swans nesting. The dawn sky is visible only above the underbrush that commands most of the viewer's attention.

Friedrich's canvases convey portraits that can barely be discerned or that must simply be imagined. There is always in his work the feeling of expectancy, of possibility, of some unseen object beyond the painting's borders.

If this is not the ideal Friedrich show, Americans may get no better chance to study him, unless Germany becomes more inclined to lend works by an artist who has become a national hero.

**F**RIEDRICH was not always so admired. Although Goethe was one of those who sang his praises, his popularity did not last. By the 1820s his work was unfashionable in Germany compared with the primitivism of the Nazarene painters and the heroic landscapes of artists like Joseph Anton Koch.

Increasingly bitter and misanthropic, Friedrich fell into virtual obscurity by his death in 1840, at the age of 63. His name did not appear in 19th century histories of German painting, and his canvases gathered dust in provincial storerooms.

Only after a Norwegian art his-

torian discovered some of those canvases in a Dresden warehouse in 1890 did Friedrich's reputation begin to revive. A 1906 retrospective in Berlin of 100 years of German art, which included 50 works by the artist, inspired critics to hail him as a precursor of modernism.

As Joseph Leo Koerner recounts in a new book, "Caspar David Friedrich and the Subject of Landscape," reviewers "saw in his treatment of light and color an anticipation of Impressionism, while Friedrich's distinctly German sensibility and subject matter were celebrated as prophetic of an authentic national tradition whose triumph, these reviewers predicted, was still to come."

Alas, they were right. Friedrich's identity as a symbol of German nationalism reached a peak under the Nazis. "At this nadir of Western civilization," Koerner continues, "Friedrich's art is represented as having achieved its moment of greatest renown."

Guilty by association, his reputation plummeted once more after the war, only to be revived another time by art historians like Werner Hofmann, Robert Rosenblum and Helmut Borsch-Supan. "The Romantic Vision" thus comes not only when Friedrich's star is again ascendant but also when the art world is consumed by theoretical musing and ironical ges-

turing on an order rivaled only during Friedrich's day.

The ups and downs of his reputation testify to the complexity of his work.

Borsch-Supan conceives the paintings simply as Christian texts whose symbols demand deciphering, like Egyptian hieroglyphs. Others have seen in the artist's emphasis on lonely, wintry seascapes and graveyards — in what seems his equation of landscape with death — a reflection of Friedrich's mourning over the loss of his younger brother in an ice-skating accident.

**S**TILL others have stressed the political roots in his work, his depiction of German settings and his reliance on sources like Dürer, to identify the nationalist strain that became so important to the Nazis.

But Friedrich's work finally resists simple translation, as writers like Henri Zerner, Charles Rosen and Koerner have lately underscored. Viewers of his work become like the figures in "Evening Landscape With Two Men," pausing silently before a magnificent and indeterminate vista.

The figures stand to one side of the painting, as if expecting us to balance the scene, to complete the image. They are like alter egos, their loneliness and yearnings ours.

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Thursday, February 7  
Room 12 at 2 p.m. JEWELLERY, SILVERWARE, M<sup>rs</sup> MILLON-ROBERT, 19, rue de la Gorge Baudouin, 75009 Paris. Tel: (1) 48 00 99 44 - Fax: (1) 48 00 98 98.

Thursday & Friday, February 7-8  
Room 8 at 2 p.m. ARCHAEOLOGY - Egypt, Greece, Rome, Phoenicia. M<sup>rs</sup> DELA-VERGNABARGE, 12, rue de la Gorge-Baudouin, 75009 Paris. Tel: (1) 42 46 28 35.

Friday, February 8  
Room 1 at 2 p.m. IMPORTANT FURNITURE & OBJETS D'ART. M<sup>rs</sup> MILLON-ROBERT, Tel: (1) 48 00 99 44.

Tuesday, February 12  
Room 8 at 2.30 p.m. MEDALS, ORDERS OF KNIGHTHOOD, DECORATIONS. M<sup>rs</sup> RUYRE-BARON, 1, rue de Provence, 75002 Paris. Tel: (1) 42 46 00 77. Fax: (1) 42 53 22 22.

Wednesday, February 13  
Room 5 at 2 p.m. ISLAMIC ART, provenance from the Château de Bel-Air and various collections. M<sup>rs</sup> BOISGARD, 2, rue de Provence, 75009 Paris. Tel: (1) 47 70 81 13. Fax: (1) 42 47 09 84.

Thursday, February 14  
Room 1 & 6 at 8.30 p.m. IMPORTANT ABSTRACT & CONTEMPORARY PAINTINGS by Alchimy, Appel, Balazs, Cezanne, Chirico, Clavé, Dubuffet, Haring, Landay, Manz, Pollock, etc. Viewing: February 14 from 11 to 6 p.m. M<sup>rs</sup> LOUDMER, 45, rue La Fayette, 75009 Paris. Tel: (1) 48 78 89 89. Fax: (1) 48 76 91 00.

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# NYSE

## Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere. Via The Associated Press

Stock	Price	Change
IBM	111.125	+0.125
Microsoft	68.125	+0.125
Apple	54.125	+0.125
Oracle	44.125	+0.125
Sun	34.125	+0.125
Novell	24.125	+0.125
Lotus	14.125	+0.125
Hyperion	4.125	+0.125
Amgen	54.125	+0.125
Genentech	44.125	+0.125
Boehringer	34.125	+0.125
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125

Stock	Price	Change
Merck	54.125	+0.125
Schering	44.125	+0.125
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125

Stock	Price	Change
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125

Stock	Price	Change
Novartis	24.125	+0.125
Roche	14.125	+0.125
Sandoz	4.125	+0.125

Stock	Price	Change
Novartis	24.125	+0.125
Roche	14.125	+0.125
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Stock	Price	Change
Novartis	24.125	+0.125
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### CURRENCY RATES

Currency	Rate
US Dollar	1.00
British Pound	0.75
Japanese Yen	100.00
Swiss Franc	1.50
West German Mark	2.00
French Franc	6.55
Italian Lira	200.00
Spanish Peseta	166.64
Portuguese Escudo	200.48
Belgian Franc	36.36
Dutch Guilder	3.76
Austrian Schilling	13.76
Swedish Krona	4.66
Norwegian Krone	4.76
Israeli Sheqel	1.80
South African Rand	6.60
South Korean Won	200.00
Thai Baht	50.00
Singapore Dollar	1.00
Malaysian Ringgit	2.00
Indonesian Rupiah	1000.00
Philippine Peso	50.00
Chinese Yuan	8.28

### INTEREST RATES

Instrument	Rate
3-Month Treasury Bill	5.00%
6-Month Treasury Bill	5.50%
1-Year Treasury Bill	6.00%
3-Month Eurodollar	5.25%
6-Month Eurodollar	5.75%
1-Year Eurodollar	6.25%
3-Month Japanese Yen	4.75%
6-Month Japanese Yen	5.25%
1-Year Japanese Yen	5.75%
3-Month Swiss Franc	4.50%
6-Month Swiss Franc	5.00%
1-Year Swiss Franc	5.50%

مكتبات الاصل



# Herald Tribune BUSINESS/FINANCE

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Page 9

## ECONOMIC SCENE

### Divergent Policies in U.S. Add to Monetary Muddle

By Leonard Silk  
New York Times Service

**NEW YORK** — In his State of the Union message, President George Bush jawboned the banks and the Federal Reserve. "Sound banks should be making more sound loans," he said. "And interest rates should be lower, now." And the stock market surged on expectations that the administration would use its weight to break the credit crunch and bring rates down.

Indeed, in an interview, Alan Greenspan, the Federal Reserve's chairman, appeared to follow the president's line in saying the credit crunch had been "as severe as any supply-induced constraint ever, other than from policy actions."

In fact, the United States now seems to have two monetary policies: one conducted by the Fed, the other by private banks. The Fed's policy is loosening, the banks tightening.

The Fed did hang tight until after Iraq invaded Kuwait in August. Mr. Greenspan blames the crisis for causing the recession. Critics of the Fed blame him.

Despite earlier efforts to coax the banks to lend more to fight the recession, the banks worry about their own survival and will not. Their complaint is that the regulators are making it too tough for them, marking many of their real estate loans down to zero and squeezing them for capital they do not have and cannot raise.

A result of the private monetary policy has been the credit crunch, which has cut money supply growth below the bottom of the Fed's target range.

An increase in bank lending is the mechanism by which business and consumer spending would increase and the money supply and its velocity would grow, thereby ending the recession.

Mr. Greenspan said a "necessary condition" of recovery would be for banks to get over their own crisis of confidence. Action by the Fed to cut rates, though one means of lifting bank profits, may not be enough to break the credit crunch.

There are international forces, in any case, that could bar the way to a sharp fall in American rates now. "Investors may not have noticed that U.S. short-term interest rates have been the world's lowest since August," said Morris Oloff, president of Offitbank, an investment management bank based in New York.

**ON AUG. 31**, three-month Euro-deposits were yielding 8 percent for the dollar, 8.38 percent for the Deutsche mark and 8.13 percent for the Japanese yen. Since then, the yield on the dollar has fallen to 6.88 percent, while the yield on the mark has risen to 9.13 percent and the yen has held firm at 8.13 percent.

In fact, the spread between American and foreign rates still appears to be widening. On Thursday, the German Bundesbank raised the rate at which it offers funds to the money market to 9 percent from 8.5 percent.

This is the first time that such an interest-rate environment, with foreign spreads well above American, has existed since 1973, when the dollar began to float — and floated downward.

A basic cause for the current spread in interest rates is that the U.S. economy has slid into a recession while the economies of Germany, Japan and other countries are expanding.

Germany and Japan are now facing internal capital requirements that will cause government spending to balloon, widening deficits and raising inflationary pressures that their central banks are seeking to check by tightening money and raising rates.

The widening spread in rates could cause billions of dollars in American assets to move overseas. That might worsen recessionary pressures at home and, at the same time, weaken the dollar.

Actions by Germany and Japan and other industrial countries to reduce their budget deficits, ease monetary policy and bring rates down — the prescription that foreign governments have long urged on the United States — would serve common interests.

See CREDIT, Page 11

## CURRENCY RATES

Your Dollar Values									
Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
United States	1.0000	West Germany	1.7564	West Germany	1.7564	S. Afr. rand	2.5345	S. Afr. rand	2.5345
France	1.6363	France	1.6363	N. Zealand	1.6714	Soviet ruble	1.5574	Soviet ruble	1.5574
Italy	1.3636	Italy	1.3636	Norw. krona	5.7386	Swedish krona	5.534	Swedish krona	5.534
Japan	163.26	Japan	163.26	Phil. peso	27.76	Thai baht	25.10	Thai baht	25.10
Switzerland	1.4537	Switzerland	1.4537	Port. escudo	130.50	Taiwan	29.50	Taiwan	29.50
Canada	1.3150	Canada	1.3150	S. Korean won	3.232	U.S. dollar	1.0000	U.S. dollar	1.0000
United Kingdom	0.7564	United Kingdom	0.7564	S. Korea won	72.85	Yugoslav dinar	2.000	Yugoslav dinar	2.000
Spain	166.37	Spain	166.37						
Netherlands	2.2037	Netherlands	2.2037						
Sweden	10.4600	Sweden	10.4600						
Denmark	6.4600	Denmark	6.4600						
Belgium	36.3636	Belgium	36.3636						
Australia	1.5455	Australia	1.5455						
New Zealand	1.2727	New Zealand	1.2727						
South Africa	1.4537	South Africa	1.4537						
South Korea	166.37	South Korea	166.37						
India	166.37	India	166.37						
China	166.37	China	166.37						
Hong Kong	166.37	Hong Kong	166.37						
Taiwan	166.37	Taiwan	166.37						
Thailand	166.37	Thailand	166.37						
Philippines	166.37	Philippines	166.37						
Indonesia	166.37	Indonesia	166.37						
Singapore	166.37	Singapore	166.37						
Malaysia	166.37	Malaysia	166.37						
Brunei	166.37	Brunei	166.37						
Myanmar	166.37	Myanmar	166.37						
Burma	166.37	Burma	166.37						
Cambodia	166.37	Cambodia	166.37						
Laos	166.37	Laos	166.37						
Vietnam	166.37	Vietnam	166.37						
North Vietnam	166.37	North Vietnam	166.37						
South Vietnam	166.37	South Vietnam	166.37						
Timor	166.37	Timor	166.37						
East Timor	166.37	East Timor	166.37						
West Timor	166.37	West Timor	166.37						



## MARKET DIARY

## Wall Street Mixed After Fed's Move

Compiled by Our Staff From Dispatches

**NEW YORK** — Stocks closed mixed Friday in heavy trading on the New York Stock Exchange, as a discount-rate cut allowed most stocks to overcome early weakness to end the day on a high note.

The Dow Jones industrial average, which jumped 23.27 points Thursday, lost 5.70 to close at 2,730.69.

Broader market gauges also fell. The New York Stock Exchange composite index eased 0.19 to 187.40 and the Standard & Poor's 500-stock index lost 0.88 to 343.05.

Advances led declines by a more than 5-3 margin, however. Big Board volume rose to 246.67 million shares from 204.24 million Thursday.

Stocks opened lower and fell steadily in early trading after a

much weaker-than-expected report from the Labor Department, which showed the jobless rate rose to 6.2 percent in January as nonfarm payrolls tumbled.

The news sparked fears that the recession may not be as short as people had come to believe. The Dow was down more than 25 points at its low.

Subsequently, however, the market recovered as the Federal Reserve cut the discount rate, which major banks followed up on by cutting their prime rates by a half point to 9 percent.

USX Corp. traded actively, easing 1 1/4 to 29 1/2 as investors reacted with uncertainty over the firm's announcement Friday that it will issue separate shares for its steel division.

Marriott Corp. rose 2 1/4 to 13 after the company said it had obtained interim bank financing and was delaying or cancelling certain construction starts. (UPI, Reuters)

## U.S. Data and Rate Cut Send Dollar Tumbling

Reuters

**NEW YORK** — The dollar fell Friday in response to weak U.S. economic data and the Federal Reserve's discount-rate reduction, but rumors of central bank intervention and profit-taking kept it from plunging to new lows, traders said.

The dollar closed at 1.4682 Deutschmarks, down from 1.4804 at the opening and 1.4765 at the close Thursday. It also ended at 131.60 yen, down from 131.95 at the opening but up from 131.25 Thursday.

"The dollar's looking sick," said Stephen Jurek, chief dealer at Chemical Bank. "But the market was already quite short" of dollars, so traders grew reluctant to keep selling, he said.

The dollar took a number of blows, beginning with the announcement at the opening of trading that U.S. nonfarm payrolls fell an unexpected 232,000 in January.

"The dollar immediately plummeted but was then bought back

aggressively on profit-taking," Mr. Jurek said.

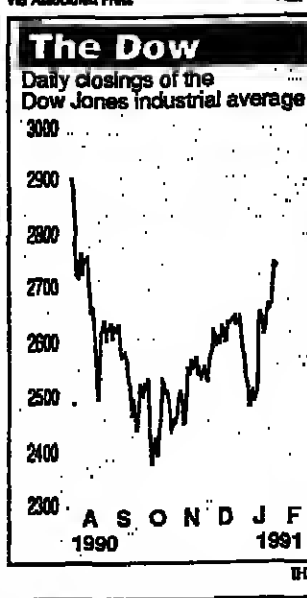
About 50 minutes after the opening, the Fed cut its discount rate by a half point to 6.0 percent. About 40 minutes later, the National Association of Purchasing Managers' report revealed that its index of economic conditions fell in January to the lowest reading since May 1982.

The dollar hit an intraday low of 1.4645 DM. Dealers in Europe said the record low had to break.

Unsubstantiated rumors of central bank intervention helped inspire profit-taking, dealers said.

Traders in London said the Bank of England bought pounds for marks, and the Bundesbank confirmed that it did the same.

The dollar fell in London to 1.4700 DM from 1.4810 Thursday. In New York, the dollar also closed at 1.4750 Swiss francs, down from 1.4780 Thursday, and at 4.9600 French francs, down from 5.0220. The pound rose to \$1.9750 from \$1.9665.



A S O N D J F 1990 1991

Source: Dow Jones

NYSE Most Active

Vol.	High	Low	Last	Chg.
USX	29 1/2	29 1/4	29 1/2	+1 1/4
Marriott	13 1/4	13 1/4	13 1/4	+2 1/4
Chrysler	24 1/2	24 1/2	24 1/2	+1 1/2
General Motors	24 1/2	24 1/2	24 1/2	+1 1/2
IBM	115 1/2	115 1/2	115 1/2	+1 1/2
Microsoft	34 1/2	34 1/2	34 1/2	+1 1/2
Oracle	24 1/2	24 1/2	24 1/2	+1 1/2
Novell	24 1/2	24 1/2	24 1/2	+1 1/2
Lotus	24 1/2	24 1/2	24 1/2	+1 1/2
Intuit	24 1/2	24 1/2	24 1/2	+1 1/2
Parsons	24 1/2	24 1/2	24 1/2	+1 1/2
Boeing	24 1/2	24 1/2	24 1/2	+1 1/2
Rockwell	24 1/2	24 1/2	24 1/2	+1 1/2
Northrop	24 1/2	24 1/2	24 1/2	+1 1/2
Lockheed	24 1/2	24 1/2	24 1/2	+1 1/2
Boeing	24 1/2	24 1/2	24 1/2	+1 1/2
Rockwell	24 1/2	24 1/2	24 1/2	+1 1/2
Northrop	24 1/2	24 1/2	24 1/2	+1 1/2
Lockheed	24 1/2	24 1/2	24 1/2	+1 1/2

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NYSE Most Active

that the downturn in the advertising market would be compensated by improved performance from



## War Outlays Bloat Britain's Budget

**LONDON** — Britain said Friday it would have to raise public spending by £500 million (\$1.18 billion) in the current fiscal year to meet costs of the Gulf war.

The Treasury announced the increase as politicians asked how much more the government would have to pay for Britain's war role.

Public spending for the year ending March 31 is now estimated to total £181.2 billion, up from £180.6 billion previously.

"Increases for military deployments to the Gulf account for almost all the increase in the estimate," the Treasury said in a statement.

David Mellor, chief secretary to the Treasury, flies to the United Arab Emirates on Friday to try to secure some cash help.

This week Germany pledged £275 million to Britain. Saudi Arabia also will meet some expenses. But this will be a fraction of the total. Britain, in the grip of a severe recession, is following in the footsteps of the United States and is seeking financial contributions from other nations, particularly from economic superpower Japan.

The bill for six British Tornado aircraft lost so far is more than \$240 million. Some grim economic forecasts put British Gulf war expenditures at more than \$20 billion.

Despite rising unemployment, high inflation and the worst spate of corporate disasters for decades, Prime Minister John Major is riding high in opinion polls as the most popular premier since Winston Churchill.

## Shareholders Oppose Continental's Curbs

**DUSSELDORF** — A group representing private German shareholders said Friday it would urge its members to scrap Continental AG's voting rights restriction at an extraordinary shareholders meeting on March 13.

The German Association for Protection of Security Holdings said it would call on its members to vote to abolish a rule that imposes a 5 percent limit on any single holder's voting rights, regardless of the holder's ownership stake.

The group also said it would ask members to reject a proposal that would raise to 75 percent from a simple majority the margin needed to overturn the 5 percent limit.

The group said it had not yet made recommendations on the three remaining items on the meeting's agenda, including a call for Continental to merge with Pirelli SpA.

The meeting is expected to turn into a showdown between Continental and the Italian tire maker, which has launched a bid to merge the two groups' tire activities under Pirelli control. It will give Pirelli, which claims the support of a majority of Continental shareholders, the chance to scrap the voting restriction.

Continental, which rejected the bid and tanned it hostile, said Thursday that a number of shareholders have said they will support the company as it struggles to stay independent.

Pirelli said Friday it would outline its position in a letter to shareholders next week.

"The private shareholders' group said it was convinced that voting rights restrictions were not an effective way to ward off hostile takeovers, and could in some cases prove negative. The group's attempt to scrap the rights restriction at the last shareholders meeting in 1990 fell just short of the needed majority."

## Poland Looks West for Jets

**WARSAW** — Poland's national airline is planning to acquire eight Western-built mid-range jets to replace part of its aging Soviet-made fleet, the company's newly appointed president said Friday.

Like other state-owned carriers in the former Communist countries of Eastern Europe, LOT Polish Airlines needs to modernize its fleet and is turning to Western manufacturers instead of its traditional Soviet suppliers.

"We have to replace the Russian planes with modern Western-made planes," said Bronislaw Klimaszewski, the new president. "But financing is a problem," he acknowledged.

LOT is considering buying aircraft from the European Airbus Industrie consortium, and two U.S. companies, Boeing Co. and McDonnell Douglas Corp., Mr. Klimaszewski said.

A decision will be made in the next three weeks, he said, adding that the financing arrangement would involve leasing the initial aircraft with an option to buy more.

The new models would replace 14 Soviet-built Tupolev 154 medium-range aircraft.

LOT has already acquired six Boeing 767 aircraft for long-range traffic in addition to its six Soviet-built Ilyushin 62 long-distance planes.

It will take delivery this year of the first three of eight ATR 72 short-haul planes ordered from the French-Italian group, Avions de Transport Regional, Mr. Klimaszewski said.

LOT has not yet decided which engines to use on its new medium-range aircraft.

## GM Passes Ford in European Sales

**DETROIT** — For the first time, General Motors Corp. reported outperforming Ford Motor Co. in 1990 in Europe.

GM said Thursday it sold 1.56 million cars in Europe last year while Ford said it sold 1.51 million.

"This is not good news for Ford," said Karl Ludvigsen, an auto analyst in London. Ford has been selling cars in Europe since 1903, the same year Henry Ford incorporated his carmaking company in Michigan.

Part of Ford's problems stemmed from a bumpy launch of its Escort car in Europe, caused primarily by a seven-week strike at Ford of Europe's Halewood plant in England.

"The key for Ford," Mr. Ludvigsen said, "will be if they can get a little steam behind this Escort launch."

According to Automotive Industry Data, a London statistical service, Volkswagen held the largest share of the European car market with 15.4 percent in 1990. There were 13.2 million cars and light trucks sold there overall.

The German automaker was followed by Fiat of Italy with 14.2 percent, Peugeot of France with 12.9 percent, GM with 11.8 percent and Ford with 11.6 percent.

There were 13.8 million cars and light trucks sold in the United States last year.

**Volvo Sales Down**

The Volvo Cars AB unit of Sweden's AB Volvo said it sold 359,600 cars worldwide in 1990, down 11.3 percent from 1989 sales of 405,600. Reuters reported Friday from Stockholm.

Volvo, in a statement, said, "Like the rest of the car industry, Volvo Cars was affected by the weak sales development generally, but most of all in our three largest markets, the United States, Great Britain and Sweden." It said there were increases in Japan, Southeast Asia, Italy and Spain.

Volvo said its U.S. car sales fell to 89,000 in 1990 from 101,000 in 1989. In Britain, sales fell to 66,000 from 81,700, and in Sweden sales fell to 47,600 from 66,600. Sales rose to 23,000 from 15,100 in Italy, to 5,900 from 5,200 in Spain, to 10,500 from 7,100 in Japan and to 10,500 from 8,500 in South-east Asia.

## French Agency's Tie With Bloom Creates Global Contender

**By Kim Foltz**  
*New York Times Staff Writer*

The Bloom Agency, known for its ads for Scott Paper and Pentax cameras, has been acquired by Groupe FCA, a French agency that creates advertising in Europe for clients like Nestlé, L'Oréal and Beyer.

The acquisition is the most recent in a series of relationships forged between French and U.S. agencies. Last year, Wells Rich Greene merged with BBDO, and earlier, Foote, Cone & Belding Communications linked up with Publicis. In addition, the French agency giant Eurocom is searching in the United States for a large agency either to merge with or to buy.

Some industry consultants said the FCA-Bloom marriage was a good match. There are no conflicting clients that would require the agencies to resign accounts. Both have expertise in working with packaged-goods clients and similar styles.

"This is a great deal for Bloom," said Leslie Whitworth, the president of the Ad Agency Register, a consulting firm that helps clients find agencies. "This puts the agency in the big leagues."

Analysts said Bloom had been hampered by its relatively small size — billings were \$200 million — and because its main office was in Dallas. The new agency will have its headquarters in New York.

Mr. Bloom said he wanted to forge a deal with FCA because his agency needed to establish a presence in Europe to provide better service to some international clients.

The deal was attractive to FCA because it had been looking for an entry into the United States market, Mr. Calieux said.

Both Bloom and FCA have picked up some important new clients in the last year. FCA recently won the European account for Trans World Airlines, Manda's corporate advertising and the business of Thomson, which makes televisions and appliances. Bloom has won Tandon Computers, Sandor's Therma medicine and the Atlantic division of the Sun Companies.

## Philips Gets Shareholder Suit Threat

**THE HAGUE, Netherlands** — The Dutch small shareholders association said Friday that it will sue Philips NV for its failure to warn shareholders of deteriorating performance if the company offers no talks about a settlement.

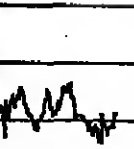
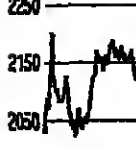
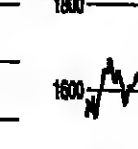
"We will definitely go ahead with legal action if Philips declines to talk to us," said Luc Buitrag, spokesman for the group, called Vereniging van Effectenbezitters.

Previously, the shareholders group had only said it would consider legal action. Philips has already settled out of court for \$9.25 million a U.S. shareholders' class action, but has resisted compensation for shareholders in other countries.

Philips stunned analysts and shareholders when it announced in May 1990 that first-quarter net profit had plummeted to 6 million guilders (\$3.6 million) from 23 million a year earlier. The annual report, issued only a month before, was optimistic on group prospects.

Since then, Philips has begun cutting 45,000 to 55,000 jobs and has said it would show a loss of 4 billion guilders for 1990, compared with a 1.37 billion net profit for 1989.

## Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1800	2250	1800		
				
1200	1500	1400		
S O N D J F	S O N D J F	S O N D J F		
1990	1990	1990		
1991	1991	1991		
Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	80.40	80.60	-0.25
Brussels	Stock Index	4933.22	4924.84	+0.17
Frankfurt	DAX	1426.51	1420.08	+0.45
Frankfurt	FAZ	607.05	608.59	-0.25
Helsinki	UNITAS	361.00	362.40	-0.39
London	Financial Times 30	1694.00	1697.90	-0.23
London	FTSE 100	2165.70	2170.30	-0.21
Madrid	General Index	230.73	231.16	-0.19
Milan	MIB	959.00	965.00	-0.62
Paris	CAC 40	1578.08	1580.67	-0.16
Stockholm	Aftersweden	949.58	946.60	+0.31
Vienna	Stock Index	481.10	480.48	+0.13
Zurich	SBS	537.00	533.40	+0.67

Sources: Reuters, AFP

Illustration: Heidi Tobien

## Paris Bourse Weakened By Paribas Earnings

**PARIS** — Banking shares, depressed by disappointing results announced by Compagnie Financière de Paribas, weighed down the main blue-chip index on the Paris Bourse on Friday.

The CAC-40 index fell 2.59 points, or 0.16 percent, to close at 1,578.08 on active trading of 1.74 billion francs (\$346.4 million). Paribas shares plunged 33.90 francs, or 7.37 percent, to 426.10.

After the Bourse closed on Thursday, the diversified banking group announced that its net attributable profit fell 26.5 percent from 3.4 billion francs to 2.5 billion in 1990, and that it had increased bad-debt provisions by about 1.2 billion francs to 4.7 billion francs at the end of the year.

"The profit was about 30 percent lower than expected," one trader said.

Other bank shares also suffered on the Bourse, including Compagnie Bancaire, Paribas's consumer-finance subsidiary, which dropped 13 francs to 496; Compagnie de Suze, which fell 6.40 to 233.80; and Societe Generale, which lost 7.20 to 390.50.

Some dealers said the reaction was unsurprising, but probably exaggerated by the fact that Paribas had been the first of the big French banking companies to give a precise indication of the deterioration in its operating environment.

Paribas, in reporting the decline, blamed the decline on the bank's conservative method of evaluating its equity portfolio after last year's stock market declines, narrower interest-rate margins, lower banking income due to a weakening market, and the increase in loan-loss provisions.

Another indication of the potential troubles for French banks came from Banque Nationale de Paris on Friday, which said that earnings at its Compagnie d'Investissements de Paris subsidiary, which holds stakes in industrial companies, had plummeted last year to 20 million francs from 240 million francs.

Separately on Friday, Standard and Poor's said that it lowered the long-term debt rating of Paribas and its two main subsidiaries, Banque Paribas and Cie Bancaire, to AA from AA-plus.

The ratings agency said that the downgrading reflected a marked deterioration in Paribas's operating profits and credit-risk problems.

## NYSE

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Stock	High	Low	Open	Close	Change
IBM	125.00	124.00	124.50	124.50	+0.50
Microsoft	65.00	64.00	64.50	64.50	+0.50
Apple	45.00	44.00	44.50	44.50	+0.50
Oracle	35.00	34.00	34.50	34.50	+0.50
Sun	25.00	24.00	24.50	24.50	+0.50
HP	15.00	14.00	14.50	14.50	+0.50
Intel	10.00	9.00	9.50	9.50	+0.50
Motorola	5.00	4.00	4.50	4.50	+0.50
TI	3.00	2.00	2.50	2.50	+0.50
AMD	2.00	1.00	1.50	1.50	+0.50
LSI	1.00	0.50	0.75	0.75	+0.50
Western Digital	0.50	0.25	0.375	0.375	+0.50
Seagate	0.25	0.125	0.1875	0.1875	+0.50
Conquest	0.125	0.0625	0.09375	0.09375	+0.50
Quantum	0.0625	0.03125	0.046875	0.046875	+0.50
Maxtor	0.03125	0.015625	0.0234375	0.0234375	+0.50
Western Digital	0.015625	0.0078125	0.01171875	0.01171875	+0.50
Seagate	0.0078125	0.00390625	0.005859375	0.005859375	+0.50
Conquest	0.00390625	0.001953125	0.0029296875	0.0029296875	+0.50
Quantum	0.001953125	0.0009765625	0.00146484375	0.00146484375	+0.50
Maxtor	0.0009765625	0.00048828125	0.000732421875	0.000732421875	+0.50
Western Digital	0.00048828125	0.000244140625	0.0003662109375	0.0003662109375	+0.50
Seagate	0.000244140625	0.0001220703125	0.00018310546875	0.00018310546875	+0.50
Conquest	0.0001220703125	0.00006103515625	0.000046552734375	0.000046552734375	+0.50
Quantum	0.00006103515625	0.000030517578125	0.0000232763671875	0.0000232763671875	+0.50
Maxtor	0.000030517578125	0.0000152587890625	0.00001163818359375	0.00001163818359375	+0.50
Western Digital	0.0000152587890625	0.00000762939453125	0.000005819091796875	0.000005819091796875	+0.50
Seagate	0.00000762939453125	0.000003814697265625	0.0000029095458984375	0.0000029095458984375	+0.50
Conquest	0.000003814697265625	0.0000019073486328125	0.00000145477294921875	0.00000145477294921875	+0.50
Quantum	0.0000019073486328125	0.00000095367431640625	0.000000727386474609375	0.000000727386474609375	+0.50
Maxtor	0.00000095367431640625	0.000000476837158203125	0.0000003636932373046875	0.0000003636932373046875	+0.50
Western Digital	0.000000476837158203125	0.0000002384185791015625	0.00000018184661865234375	0.00000018184661865234375	+0.50
Seagate	0.0000002384185791015625	0.00000011920928955078125	0.000000090923309326171875	0.000000090923309326171875	+0.50
Conquest	0.00000011920928955078125	0.000000059604644775390625	0.0000000454616546630859375	0.0000000454616546630859375	+0.50
Quantum	0.000000059604644775390625	0.0000000298023223876953125	0.00000002273082733154296875	0.00000002273082733154296875	+0.50
Maxtor	0.0000000298023223876953125	0.00000001490116119384765625	0.000000011365413665771484375	0.000000011365413665771484375	+0.50
Western Digital	0.00000001490116119384765625	0.000000007450580596923828125	0.0000000056827068328857421875	0.0000000056827068328857421875	+0.50
Seagate	0.000000007450580596923828125	0.0000000037252902984619140625	0.00000000284135341644287109375	0.00000000284135341644287109375	+0.50
Conquest	0.0000000037252902984619140625	0.00000000186264514923095703125	0.000000001420676708221435546875	0.000000001420676708221435546875	+0.50
Quantum	0.00000000186264514923095703125	0.000000000931322574615478515625	0.0000000007103383541107177734375	0.0000000007103383541107177734375	+0.50
Maxtor	0.000000000931322574615478515625	0.0000000004656612873077392578125	0.00000000035516917705535888671875	0.00000000035516917705535888671875	+0.50
Western Digital	0.0000000004656612873077392578125	0.00000000023283064365386962890625	0.0000000001775845885276794434375	0.0000000001775845885276794434375	+0.50
Seagate	0.00000000023283064365386962890625	0.000000000116415321826934814453125	0.00000000008879229426383972171875	0.00000000008879229426383972171875	+0.50
Conquest	0.000000000116415321826934814453125	0.0000000000582076609134674072265625	0.000000000044396147131919860859375	0.000000000044396147131919860859375	+0.50
Quantum	0.0000000000582076609134674072265625	0.00000000002910383045673370361328125	0.0000000000221980735659599304296875	0.0000000000221980735659599304296875	+0.50
Maxtor	0.00000000002910383045673370361328125	0.000000000014551915228366851806640625	0.00000000001109903678297996521484375	0.00000000001109903678297996521484375	+0.50
Western Digital	0.000000000014551915228366851806640625	0.0000000000072759576141834259033203125	0.000000000005549518391489982607421875	0.000000000005549518391489982607421875	+0.50
Seagate	0.0000000000072759576141834259033203125	0.00000000000363797880709171295166015625	0.0000000000027747591957449913037109375	0.0000000000027747591957449913037109375	+0.50
Conquest	0.00000000000363797880709171295166015625	0.000000000001818989403545856475830078125	0.00000000000138737959787249565185546875	0.00000000000138737959787249565185546875	+0.50
Quantum	0.000000000001818989403545856475830078125	0.0000000000009094947017729282379150390625	0.000000000000693689798936247825927734375	0.000000000000693689798936247825927734375	+0.50
Maxtor	0.0000000000009094947017729282379150390625	0.0000000000004547473508864641189578125	0.0000000000003468448994681239129638671875	0.0000000000003468448994681239129638671875	+0.50
Western Digital	0.0000000000004547473508864641189578125	0.00000000000022737367544323205947890625	0.000000000000173422449734061956481934375	0.000000000000173422449734061956481934375	+0.50
Seagate	0.00000000000022737367544323205947890625	0.000000000000113686837721616029739453125	0.00000000000008671122486703097824096875	0.00000000000008671122486703097824096875	+0.50
Conquest	0.000000000000113686837721616029739453125	0.0000000000000568434188608080148697265625	0.000000000000043355612433515489120484375	0.000000000000043355612433515489120484375	+0.50
Quantum	0.0000000000000568434188608080148697265625	0.00000000000002842170943040400743486328125	0.0000000000000216778062167577445602421875	0.0000000000000216778062167577445602421875	+0.50
Maxtor	0.00000000000002842170943040400743486328125	0.000000000000014210854715202003717431640625	0.00000000000001083890310837887228012109375	0.00000000000001083890310837887228012109375	+0.50
Western Digital	0.000000000000014210854715202003717431640625	0.0000000000000071054273576010018587158203125	0.00000000000000541945155418943614006084375	0.00000000000000541945155418943614006084375	+0.50
Seagate	0.0000000000000071054273576010018587158203125	0.00000000000000355271367880050092935791015625	0.000000000000002709725777094718070030421875	0.000000000000002709725777094718070030421875	+0.50
Conquest	0.00000000000000355271367880050092935791015625	0.000000000000001776356839400250464678955078125	0.000000000000001354	0.000000000000001354	+0.50



**Friday's Prices**  
NASDAQ prices as of 4 p.m. New York time.  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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[illegible]

124	124	Dr Pa	1	344	2000	2777	2
125	125	Dr Pa	1	344	2000	2777	2
126	126	Dr Pa	1	344	2000	2777	2
127	127	Dr Pa	1	344	2000	2777	2
128	128	Dr Pa	1	344	2000	2777	2
129	129	Dr Pa	1	344	2000	2777	2
130	130	Dr Pa	1	344	2000	2777	2
131	131	Dr Pa	1	344	2000	2777	2
132	132	Dr Pa	1	344	2000	2777	2
133	133	Dr Pa	1	344	2000	2777	2
134	134	Dr Pa	1	344	2000	2777	2
135	135	Dr Pa	1	344	2000	2777	2
136	136	Dr Pa	1	344	2000	2777	2
137	137	Dr Pa	1	344	2000	2777	2
138	138	Dr Pa	1	344	2000	2777	2
139	139	Dr Pa	1	344	2000	2777	2
140	140	Dr Pa	1	344	2000	2777	2
141	141	Dr Pa	1	344	2000	2777	2
142	142	Dr Pa	1	344	2000	2777	2
143	143	Dr Pa	1	344	2000	2777	2
144	144	Dr Pa	1	344	2000	2777	2
145	145	Dr Pa	1	344	2000	2777	2
146	146	Dr Pa	1	344	2000	2777	2
147	147	Dr Pa	1	344	2000	2777	2
148	148	Dr Pa	1	344	2000	2777	2
149	149	Dr Pa	1	344	2000	2777	2
150	150	Dr Pa	1	344	2000	2777	2
151	151	Dr Pa	1	344	2000	2777	2
152	152	Dr Pa	1	344	2000	2777	2
153	153	Dr Pa	1	344	2000	2777	2
154	154	Dr Pa	1	344	2000	2777	2
155	155	Dr Pa	1	344	2000	2777	2
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162	162	Dr Pa	1	344	2000	2777	2
163	163	Dr Pa	1	344	2000	2777	2
164	164	Dr Pa	1	344	2000	2777	2
165	165	Dr Pa	1	344	2000	2777	2
166	166	Dr Pa	1	344	2000	2777	2
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168	168	Dr Pa	1	344	2000	2777	2
169	169	Dr Pa	1	344	2000	2777	2
170	170	Dr Pa	1	344	2000	2777	2
171	171	Dr Pa	1	344	2000	2777	2
172	172	Dr Pa	1	344	2000	2777	2
173	173	Dr Pa	1	344	2000	2777	2
174	174	Dr Pa	1	344	2000	2777	2
175	175	Dr Pa	1	344	2000	2777	2
176	176	Dr Pa	1	344	2000	2777	2
177	177	Dr Pa	1	344	2000	2777	2
178	178	Dr Pa	1	344	2000	2777	2
179	179	Dr Pa	1	344	2000	2777	2
180	180	Dr Pa	1	344	2000	2777	2
181	181	Dr Pa	1	344	2000	2777	2
182	182	Dr Pa	1	344	2000	2777	2
183	183	Dr Pa	1	344	2000	2777	2
184	184	Dr Pa	1	344	2000	2777	2
185	185	Dr Pa	1	344	2000	2777	2
186	186	Dr Pa	1	344	2000	2777	2
187	187	Dr Pa	1	344	2000	2777	2
188	188	Dr Pa	1	344	2000	2777	2
189	189	Dr Pa	1	344	2000	2777	2
190	190	Dr Pa	1	344	2000	2777	2
191	191	Dr Pa	1	344	2000	2777	2
192	192	Dr Pa	1	344	2000	2777	2
193	193	Dr Pa	1	344	2000	2777	2
194	194	Dr Pa	1	344	2000	2777	2
195	195	Dr Pa	1	344	2000	2777	2
196	196	Dr Pa	1	344	2000	2777	2
197	197	Dr Pa	1	344	2000	2777	2
198	198	Dr Pa	1	344	2000	2777	2
199	199	Dr Pa	1	344	2000	2777	2
200	200	Dr Pa	1	344	2000	2777	2

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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Year	Age	Sex	Species	Length (mm)	Weight (g)	Wing (mm)	Tail (mm)	Bill (mm)	Foot (mm)	Claw (mm)	Sex	Age	Species	Length (mm)	Weight (g)	Wing (mm)	Tail (mm)	Bill (mm)	Foot (mm)	Claw (mm)
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37	8.5	5	15	154	14	5
1941	104	134	PGEMH	1.37	8.5	5	15	154	14	5	1941	134	PGEMH	1.37						

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100

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	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2
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36 - Dividend paid in stock in preceding 12 months, or  
 37 cost of stock in dividend or ex-distribution sale  
 38 - New carry in lot.  
 39 - Trading halted.  
 40 - In last 12 months, or 12 months prior to date  
 41 under the Securities Act, or securities or debt reorga-  
 42 nizations.  
 43 - When distributed.  
 44 - When received.  
 45 - With warrants.  
 46 - Ex-dividend or ex-rights.  
 47 - Ex-distribution.  
 48 - Without warrants.  
 49 - Ex-dividend and sales in full.  
 50 - Yield.  
 51 - Sales in full.  
 52 - Sales in full.

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# Shell Joins Chinese in Refinery Project

BEIJING — The Chinese government has approved a plan by the Royal Dutch/Shell Group and a group of five Chinese interests to build a \$2.5 billion joint-venture petrochemical plant, the China Daily reported Friday.

A senior official from the China National Offshore Oil Corp. said the two sides would begin a feasibility study that would take at least a year, the newspaper reported.

Although China is largely self-sufficient in crude oil, its refining capability is almost nonexistent. The government recently said it welcomed foreign assistance in developing China's petrochemical industry.

Oil industry analysts said it would be difficult for the proposed refinery project to succeed, with the main hurdle being a shortage of domestically produced oil.

"It all depends on getting a steady, reliable flow of enough crude oil," a Western diplomat said.

"A lot of other Chinese petroleum plants are having problems getting crude and are running at only about 60 percent capacity," he noted.

The proposed project is to include an oil refinery with a five million ton annual capacity and an ethylene plant capable of producing 450,000 tons of chemical products annually.

It is to be located in Huizhou, in southern China's Guangdong province, and is expected to take four to five years to build. A starting date for construction was not given.

Shell will provide half of the \$2.5 billion in investment needed for the project, while the Chinese group will provide the other half, the newspaper said.

China National Offshore Oil will hold a 20 percent stake in the Chinese side. The other local partners are China Petrochemical Corp., with 10 percent, China National Petroleum Corp., 10 percent, China Merchants Steamship Co., 5 percent and the Guangdong provincial government, with 5 percent.

China produced 138.3 million tons of crude oil last year, but output has risen slowly amid a sharp increase in demand. Offshore oil fields near Huizhou have so far produced only a small portion of the total output. (Reuters, AFP)

# Japan's Money Machine Slows Down

## Buying of Foreign Stocks And Bonds at 6-Year Low

## Oil Prices and Tourism Cut Current Account Surplus

TOKYO — Japanese net purchases of foreign securities plunged by two-thirds in 1990 to the lowest level in six years, as the country's high interest rates kept money at home, the Finance Ministry said Friday.

Japanese investors bought \$35.22 billion of foreign securities last year, down sharply from record purchases of \$111.97 billion in 1989, a ministry official said.

The decline reflected sharply reduced buying of foreign bonds — including large net sales of U.S. bonds — and two months of record selling of foreign securities in September and October.

"Japanese investors were depressed by the Gulf crisis and uncertainty in the U.S. economy," the official said at a news conference.

Shrinking differentials between Japanese and overseas interest rates dampened the appeal of foreign bonds, while strong domestic demand for capital encouraged investors to keep funds at home, the official said.

Japan's current-account surplus also dropped sharply last year, so there was less surplus money to invest abroad, he said.

Total foreign securities investment was dragged down sharply by net sales of about \$15.5 billion of U.S. bonds.

The decline, which contrasted with heavy Japanese buying of bonds to finance the U.S. budget deficit through much of the 1980s, was sparked by growing uncertainties over the U.S. economy, the officials said.

For the year as a whole, Japanese investors purchased \$28.96 billion of foreign bonds and \$6.26 billion of foreign stocks.

Overall net purchases were the lowest since 1984, when they totaled \$30.8 billion.

Foreigners also were attracted by Japan's high interest rates last year. They were net buyers of \$17.44 billion of Japanese bonds, the ministry said.

In contrast, foreign investors sold a net \$16.08 billion of stocks, reflecting the impact of last year's big slide in Japanese stock prices. That left foreign investors as net buyers of \$1.36 billion of Japanese securities.

In 1989, foreign investors made net securities purchases of \$2.60 billion following three straight years of large net sales.

Japanese investors were big buyers of foreign bonds in December, reaching a net \$8.01 billion. That was the largest monthly purchase of 1990 and was up from purchases of \$1.76 billion in November.

(Reuters, AFP)

# Korea Has A Record Trade Gap

SEOUL — South Korea posted a customs-cleared trade deficit of \$1.71 billion in January, the country's largest monthly shortfall on record, preliminary Trade Ministry figures showed on Friday.

Ministry officials attributed the large deficit mainly to an increased bill for imported crude oil and machinery.

Exports totaled \$4.65 billion, compared with \$7.01 billion in December and \$3.96 billion in January 1990, while imports were \$6.36 billion against \$5.37 billion in December and \$4.62 billion in January 1990.

The previous record monthly trade deficit was \$1.47 billion in November 1990.

The Gulf crisis and the resulting higher oil prices made the nation's oil imports bill nearly double to about \$700 million in January from a year ago, said Lee Hwang-ro, a ministry official.

South Korea, which produces no oil, imports about 70 percent of its oil needs from the Middle East.

Separately, the Korea Development Institute said in a report that South Korea's economic performance in 1991 depends largely on crude oil prices, which will likely rise if the Gulf war is prolonged.

If crude oil prices stay at a stable \$18 a barrel after a swift end to the war, South Korea's exports will rise by 9.2 percent, to \$69.2 billion this year, the official report said.

In this scenario, imports are expected to rise by 10 percent to \$71.6 billion this year, producing a \$2.4 billion trade deficit, the institute said.

But if crude hits \$23 a barrel, exports are expected to rise 8.4 percent from 1990, to \$68.7 billion, and imports to rise 11.4 percent, to \$72.5 billion.

(Reuters, AP, AFP)

Investor's Asia			
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225	
3500	1600	35000	
3000	1400	30000	
2500	1200	25000	
2000	1000	20000	
1500	800	15000	
1000	600	10000	
500	400	5000	
0	200	0	
1990	1990	1990	
Exchange	Index	Friday Close	Prev. Close % Change
Hong Kong	Hang Seng	3223.49	3243.30 -0.61
Singapore	Straits Times	1267.72	1267.25 +0.04
Sydney	All Ordinaries	1302.50	1321.5 -1.44
Tokyo	Nikkei 225	23156.70	23293.14 -0.59
Kuala Lumpur	Composite	Closed	497.28 -
Bangkok	Stock Club	598.20	582.12 +2.76
Seoul	Composite Stock	632.53	635.4 -0.45
Taipei	Weighted Price	4002.45	4023.72 -0.53
Manila	Composite	739.10	758.43 -2.29
Jakarta	Stock Index	383.63	383.02 +0.16
New Zealand	Barclays	1262.61	1266.27 -0.29
Bombay	National Index	514.95	499.87 +3.02

# Taiwan Plans to Ease Investment-Trust Rules

TAIPEI — Taiwan plans to open up its investment trust industry, allowing new firms to be established, in an effort to reduce the stock market's notorious volatility, Securities and Exchange Commission officials said on Friday.

The commission has completed draft rules under which the new firms will be set up, the officials said. The body could begin examining applications as early as the middle of this year.

"We hope more investment trust firms will absorb funds from individual speculators, giving institutional investors a bigger share of the market," said one commission official. "This will make the market healthier and more stable."

Taiwan now has four investment trust firms, which account for about 1 percent of daily stock turnover, the commission official said. Institutional investors hold around half of the market capitalization and account for about 10 percent of turnover.

The four firms, which operate funds for both foreign and domestic investors, were set up between 1983 and 1987. They are joint ventures between foreign and local institutions.

"We have delayed setting up more firms because it is a young industry and we didn't think it had enough expertise," the official said. "But our securities market has grown in recent years and developing investment trust firms has become vital."

Taiwan is in the middle of a program to revamp its bourse. In December, the cabinet passed a plan allowing foreign institutions to invest directly in local stocks.

The draft investment trust rules, which may be revised after consulting securities firms, would effectively require foreign participation in every new firm. But the total foreign stake in each firm could not exceed 49 percent.

Securities analysts said there was considerable local and foreign interest in establishing the firms.

Analysts also said a large number of new investment trust firms could eventually help to loosen the grip of rumor-driven, short-term speculation on the market.

"They would cause the market to move more in reaction to fundamental factors, and less in reaction to wild speculation," said Benjamin Chen, research analyst at Baring Securities (Taiwan) Ltd. "But the change will come over years rather than months. The new firms will not be set up all at once."

# Central Bank Says No Change in Policy Needed

TOKYO — The Bank of Japan will not change its monetary policy because five increases in the discount rate over the last two years have slowed down money supply growth, a senior central bank official said Friday.

The official spoke a day after the Bundesbank decided to raise Germany's discount rate by half a percentage point to 6.5 percent, and the same day that the Federal Reserve cut the U.S. discount rate by a half point to 6 percent.

The German hike was an adjustment to climbing market interest rates, which reflected increasing demand for capital in a robust economy, the official said.

The Bank of Japan last raised its discount rate to 6 percent from 5.25 percent on Aug. 30.

Japan's money supply in December grew at an annual rate of 8.6 percent, down from 10 percent in November and the third consecutive monthly decline in the growth rate.

A Finance Ministry official said the ministry was worried about inflationary pressures.

He said that although economic growth may be slowed by planned increases in oil, corporate and cigarette taxes to fund \$9 billion in aid to the U.S.-led coalition fighting Iraq, the ministry hoped to avoid any change in monetary policy for the time being.

Economists said that prospects for a cut in Japan's discount rate could hang on the outcome of the country's spring labor negotiations.

The annual shunto decides nationwide pay scales for the year to come. This year the talks are taking place against a backdrop of climbing inflation and tight labor markets that is making the Bank of Japan decidedly jittery.

"There is not much scope to change interest rates until the shunto is over," said Paul Summerville, economist at Jardine Fleming Securities Ltd.

Fear of inflation is hardening labor's position while management faces declining profitability and is looking to cut costs.

Analysts expect the Japanese Trade Union Confederation to gain for wage rises of 8 to 9 percent during the talks, which are expected to end in April.

Those goals are close to what it asked for last year when unions won raises averaging 5.9 percent.

Economists said that if wage increases are much higher than 6 percent, the central bank will shy away from any rate cut.

"A shunto number right around 6 percent or just below would be an important level for the BOJ," said Soichi Enkyo, senior economist at the Bank of Tokyo Ltd. "Inflationary pressures will build if the shunto is above that level."

(AFP, Reuters)

# Prescott Replaces Loton As BHP's Chairman

MELBOURNE — Australia's largest company, Broken Hill Pty., announced Friday that John Prescott would replace Brian Loton as chief executive and general manager on May 18.

Mr. Prescott, 50, has been head of steel operations at the diversified mining, petroleum and steel producer. Mr. Loton, 61, will remain deputy chairman.

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By Anna Quindlen

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Japan	\$12.00	\$6.00	\$3.00
Netherlands	\$12.00	\$6.00	\$3.00
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THE MONEY REPORT

Risk Investing via Political Scoops

By Robert C. Siner

**W**ORRIED about your business interests in Egypt? Need the latest scoop on the political and economic outlook there in light of the war with Iraq?

Unless you have a direct line to the CIA, your best bet is to ring up the Political Risk Services data base via Data-Star. The service is a kind of electronic library that will give you a comprehensive country report including the political and economic outlook, social conditions, investment, regime stability and just about everything else that could have a bearing on your business interests in any of 85 countries.

The reports are put out annually and updated as events warrant. They are written by a network of 250 experts — three for each country. These experts are drawn from business, universities, and government and diplomatic services and must have 15 to 20 years' experience with the country about which they are writing.

Full reports run between 45 and 75 pages (the report on Egypt was 50 pages long) and include 18-

month and five-year political and economic forecasts, economic and social indicators, risk analysis, sources of power, taxation, trade restrictions and much more.

In addition, the Political Risk Services data base includes various U.S. government publications including "Background Notes" from the State Department, "Foreign Economic Trends" and "Overseas Business Reports" from the Commerce Department, and the CIA's "World Factbook." (So you do have a line to the CIA, albeit an indirect one.)

It also provides access to the "International Tax Digest" and "Currency Quarterly" from Eurostudy Publishing of London.

Political Risk Services is only one of over 200 data bases available through Data-Star, a comprehensive business-oriented information service from Radio Swiss AG of Bern. The Data-Star service began in 1981 and is available all over the world.

It is a unique business-oriented service that provides detailed information in the areas of business, financial information, market research, trade statistics, and business analysis. It allows investors and entrepreneurs to keep up

with the latest developments in health care and pharmaceuticals, biotechnology and life sciences, chemical information and the chemical industries, biotechnology and general technology.

The Data-Star's electronic libraries run the gamut from the pop culture of USA Today to the highly technical biotechnology, chemical, electronics and engineering abstracts and the abstracts of the Turing Institute Artificial Intelligence Abstracts. Each data base can contain over 2 million documents from thousands of newspapers, newsletters and journals.

To hook up to Data-Star, you need an ordinary phone line, a personal computer or desk-top terminal, basic communications software and a modem. You will also need access to a data communications network that is available in most countries on request from the local telecommunications authorities.

The cost of the service varies from data base to data base ranging from \$20 per hour for USA Today to \$171 per hour for the Chemical Business News Base. Most of the charges do fall in the higher end of that spectrum. In addition there is usually a charge for each item dis-

played. There are discounts both for volume use and for use during off-hours and there are no charges for viewing titles or tables of contents and the help services provided by Data-Star are free.

Political Risk costs \$107 per hour plus extra charges for viewing segments of the text. In all a complete country report would run you around \$300.

If you don't have much experience using on-line data bases, Data-Star can provide you with a teach-yourself floppy disk that allows you to learn the basics of data searching without having to connect to the system.

If you just can't cope with the complexities of on-line data searching, Data-Star has developed a simplified system.

As for the Egyptian political and economic outlook, all three members agreed that the situation would remain stable over the next 18 months with new trade and investment restrictions unlikely. However, member C, the specialist in international finance, was less optimistic about the long-term prospects because of the "devastating effect of the Iraq crisis and the increased possibility of internal violence."

BRIEFCASE

Goldman Sachs Launches A New Instrument, SIGN

Investment house Goldman Sachs has launched a new instrument called SIGN (an acronym of stock index growth notes), which offer limited risk participation in a stock market rise, while guaranteeing investors' capital. One million SIGNs have been issued, for a duration of five and a half years.

Investors are guaranteed to receive their principal, plus an interest payment based on the price of the S&P 500 index. If the index rises 10 percent by the expiration date of the notes investors will receive \$11 for every \$10 invested. The notes are guaranteed by the Republic of Austria, which is rated a triple-A credit risk — the best possible.

A key advantage the notes have over a call option is the guaranteed return of capital. A call option is generally worthless if the market falls. An offsetting disadvantage is that the notes must be paid for in full, unlike many types of option.

The SIGNs will be listed on the New York Stock Exchange.

For more information, broker contact.

Rolingo Marks 25th Year With Special Funds Offer

Robeco, the giant Dutch mutual fund group, is celebrating the 25th birthday of its stock growth fund Rolingo by making a special offer to investors in its funds.

Until Feb. 8 investors can participate in Rolingo and pay just a reduced commission charge of 0.25 percent, compared to the usual charge of 1-0.5 percent for small investors.

Minimum investment for non-Dutch investors is Swiss Fr 10,000 (\$8,000) or equivalent in any major currency.

Of 65 S&P Industry Groups Only 22 Outperform Market

If the Gulf war lasts until mid-April the recession in the world economy will be deep and severe, said Alan Greenspan, the chairman of the Federal Reserve Board, this week.

But what happens in the stock market when — deep or shallow — the recession ends?

Of the 65 industry groups defined by Standard & Poor's, only 22 tend to consistently outperform the market after it hits bottom, according to Elaine Garzarelli, a market analyst with Lehman Brothers in New York and manager of the \$500 million Sector Analysis Portfolio.

When Ms. Garzarelli looked at how the S&P 500 stock index performed after each of the eight recessions since 1949, she found that, on average, 22 industry groups had far surpassed the S&P index 12 months after the market trough.

Ms. Garzarelli is so confident of the results

that she has divided the money in her mutual fund evenly among the 22 groups, and has also bet a chunk of her own money.

States Urged to Delay Filing Of Taxes for Gulf Servicemen

American and British forces in the Gulf of course have life and death matters on their hands. But financial cares at home look set to be soothed for both sets of soldiers.

Professional services firm Ernst & Young is contacting state government leaders to urge the extension of state and city income tax filing deadlines for participants in Gulf operations. The firm is proposing that returns be filed 60 days after the forces return from the Gulf.

And British Prime Minister John Major this week revealed proposals that the U.K. military in active service be exempted from the recently introduced — and extremely unpopular — poll tax.

Ernst & Young Brings Out Tax Guide With Tips for '91

For the nonmilitary faced with tax problems, Ernst & Young has just produced its tax guide for 1991.

At a retail price of \$12.95, the guide contains the official IRS tax guide, with explanatory text, plus a mass of tax-saving tips, and simple instructions on the mechanics of how to fill out your tax form.

German Health Sector Set To Protest Discount for East

The teething troubles of German unification continue.

The German private health insurance sector is mobilizing itself to protest against new laws that provide a 55 percent discount on medicine in the eastern part of the country for people with state-backed insurance policies.

German health care is among the most expensive in Europe.

Industry's Top 10	
Average percentage gain of the top 10 performers among industry groups 12 months after the market hit bottom in the eight recessions since 1949.	
Leisure-time stocks	111.9%
Retail drug stores	97.1
Pollution control	93.8
Manufactured housing	93.4
Publishing, newspapers	86.6
Restaurants	82.4
Home building	75.5
Airlines	65.8
Electronic instr.	64.5
Trucking	64.1
S&P 500	36.9

Source: Lehman Brothers

The Analysts' Prognosis 1992-1996

Country	Regime (probability)	Likelihood of Turnout	Transfer	Investment	Export	Real GDP Growth	Inflation	Current Account
Argentina	Monemista 50%	Very High	D+	D+	D	3.0	100.0	-1.5
Ireland	Fianna Fail 60%	Low	A+	A+	A+	3.2	4.5	+0.6
Poland	Walesa 45%	Moderate	B	B-	B-	3.2	8.0	-0.5
Singapore	Goh Chok Tong 50%	Low	A+	A+	A+	6.0	4.0	+1.0

Regime. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Turnout. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Transfer. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Investment. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Export. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Real GDP Growth. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Inflation. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Current Account. The figure shown is the analysts' estimate of the probability that the political regime will remain in power over five years.

Source: Data-Star

Mexican Market Leads Latin American Upswing

By Judith Rehak

**O**VERRIDING the Gulf crisis and recession in the United States, Latin America's fledgling stock markets turned in some noteworthy performances in 1990 — for better or worse.

Among the stars was Mexico, up 25.2 percent. This week the Mexican government announced that the market will soon be asked to absorb the privatization of at least three of the 18 nationalized banks.

Chile added 31.4 percent, and Venezuela's tiny stock market soared, up an astounding 665 percent. There were even some kind words for Brazil, the world's worst market, down 67 percent. Despite that track record, Brazilian government officials were in Europe this week talking up the launch of the country's privatization program. The Brazilians want to raise \$7 billion this year, with another \$11 billion planned for 1992. Argentina fell back 37 percent, but that market also has its admirers.

Much of the market action was driven by foreign investors, giving added credibility to Latin America as an investment option and showing how its long-standing image as home to military dictators and economic chaos is fading.

Chile continues to be the pace-setter of the Latin American renaissance. Its privatization program is essentially completed, and boasting a successful return to the Eurobond markets after nine years, Chile at-

tracted a record \$898 million in foreign capital in the first three quarters of 1990, a 55 percent increase over the same period in 1989. Mark Lightbown, who runs the London-listed Genesis Chile Fund notes that inflation was held down to a creditable 28 percent, despite the country's vulnerability as a net oil importer. Economic growth slowed to only 1.3 percent, a decided relief after the overheated 10 percent rise in 1989, and is expected to resume at a less inflationary 3.5 percent in 1991.

Mr. Lightbown's Chile fund was only one of a rash of investment funds that poured more than \$300 million into the Santiago Bolsa last year. Investors were well rewarded, however. According to Lipper Analytical Services, the Genesis fund's net asset value was up 33.5 percent at year's end. Its American counterpart, the Chile Fund, posted a 26.40 percent total return, making it the second-best closed-end fund performer in the U.S.

Closer to home, for U.S. investors at least, there was the revelation that long-suffering Mexico is instead finding stability in its role as an oil producer during the Gulf crisis and the realization that President Carlos de Gota intends to make good on his promises of free-market policies and alleviation of Mexico's staggering debt.

The country's improved fortunes were reflected in the New York-listed Mexico Fund, where a total return of 28.30 percent won it the top spot in closed-end equity fund performers for 1990. Now trading

at \$15 a share, the fund attracted few buyers at \$4 a share only two years ago, when Mexico's staggering debt and inflation made its future seem bleak.

The biggest Latin America bonanza in 1990 came to the few who had the foresight — and the nerve — to take a stake in Venezuela's stock exchange. Driven by a takeover battle for a major bank, Banco de Venezuela, and the unexpected bonus of higher oil revenues for the country, an OPEC exporter, the market shot up 555 percent. It was a stunning turnaround from 1989, when an austerity program and currency devaluation caused the market to plunge 35 percent, leaving shares greatly undervalued. Many observers believe the Caracas Stock Exchange could see higher prices again this year.

**A**T the opposite end of the scale are Brazil and Argentina, described as "marching to their own cycle of internal events," by Mr. Lightbown of Genesis. The Brazilian economy is in severe recession, the result of President Fernando Collor de Mello's draconian plan to tame hyperinflation by freezing bank accounts and curtailing government spending. While he hopes to bring inflation, officially cri-

matized at 1,200 percent last year, down to 25 percent in 1991, private economists are predicting something in the range of 300-500 percent.

Yet both Mr. Lightbown and Edmund Games, who runs the New York-listed Brazil Fund, see possibilities in this grim scenario. The attraction? "At least 50 major companies are trading at 10 percent or less of book value," Mr. Lightbown points out.

For the growing band of Latin American enthusiasts, the options for participating in Latin America's improving fortunes are expanding. Five single-country funds covering Chile, Mexico and Brazil are listed in the U.S. Two diversified funds are the Latin America Investment Fund, listed on the New York Stock Exchange, which invests in both equities and sovereign debt, and the London-listed Latin American Investment Trust, which targets six countries. The newly launched First Mexico Income fund, listed in Amsterdam, will be 75 percent invested in Mexican debt obligations, and the Sovereign High Yield Investment Company, an open-ended vehicle listed in London targets debt obligations primarily for Mexico, Argentina, Brazil and Venezuela.

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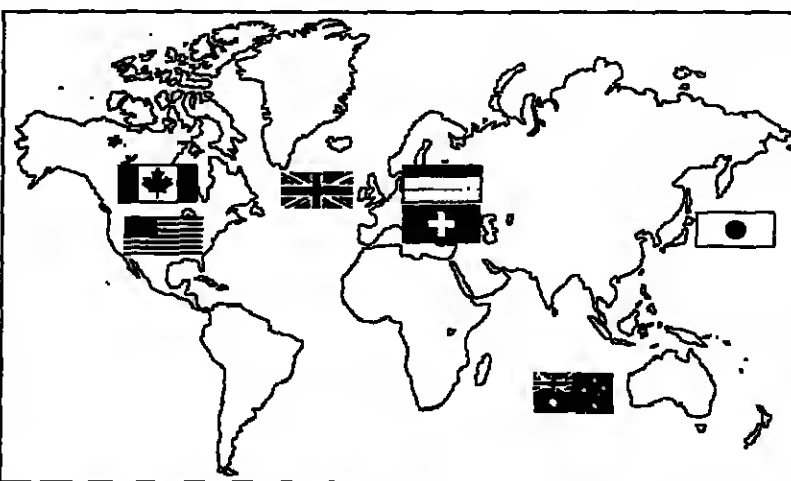
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## SPORTS

Out of 'Flow,'  
Buckeyes Fall

The Associated Press

And then there was one. Michigan State handed No. 3 Ohio State its first loss of the season on Thursday night to leave top-ranked Nevada-Las Vegas, which beat San Jose State, as the only undefeated Division I team with a month to go in the season.

The Buckeyes had won their first 17 games, including seven in the Big Ten. Michigan State, the conference defending champion, came up with a strong defensive effort to beat visiting Ohio State, 75-61, and hold it 31 points below the season scoring average.

"We didn't expect to win all our games, so the only way this loss could affect us is if we let it get to us going into Sunday's game," said Ohio State's coach, Randy Ayers, referring to a home game with Purdue.

"You have to give Michigan State all the credit for our shooting," he said of the 23-for-62 effort, includ-

## COLLEGE BASKETBALL

ing 1-for-12 from 3-point range. "They took us out of our tempo, and they took away our penetration. We were never able to get into the offensive flow."

Usually any offensive flow for Michigan State (13-6 overall, 6-3 Big Ten) revolves around Steve Smith, a senior guard. Thursday, Smith came through again with 26 points, including his 2,000th as a collegian.

But Smith did receive some help in the form of Mark Montgomery's collegiate-high 17 points. Montgomery scored just three points in the first half, but hit a 3-pointer with his first shot of the second period. Then he kept scoring, making 5 of 6 from the floor, including both 3-pointers.

Montgomery's 14 points in the second half forced the Buckeyes to turn their focus from Smith, who responded by scoring 15 of his 26 points after halftime as the Spartans expanded a 39-36 intermission lead.

Ohio State's leading scorer, Jim Jackson, scored just 12 points on 5 of 17 shooting, 5 points under his average, thanks to the combined defensive efforts of Smith, Matt Steigenga and Dwayne Stephens.

No. 1 UNLV 88, San Jose State 64: The Runnin' Rebels (17-0, 10-0) won their 28th in a row and continued their mastery over the Spartans (5-14, 3-7), who have never beaten them in 21 meetings.

Larry Johnson scored 21 points as UNLV again used its pressure defense to break the game open in San Jose, California. It was UNLV's 13th victory this season by more than 20 points.

No. 6 Arizona 84, Washington State 71: The Wildcats (16-3, 5-2 Pacific 10) won their 57th consecutive home game to keep the nation's longest streak alive.

The Cougars (12-6, 4-4) got within 72-68 with 2:17 left. Arizona then made all 8 of its free throws, including 6 by Matt Olchik in the final 1:10.

Chris Mills had 21 points and 11 rebounds for Arizona.

No. 9 North Carolina 90, Clemson 77: The Tar Heels (15-3, 4-2 Atlantic Coast Conference) won for the first time in three years at Clemson's Littlejohn Coliseum, and Clemson remained winless in its worst ACC start (0-7) since 1954-55.

No. 13 Utah 78, Texas-El Paso 68: The Utes (20-1, 9-0 Western Athletic Conference) broke a 78-year-old school record with their 17th consecutive victory and their first in El Paso since 1981.



Maurice Cheeks and the rest of the Knicks could only chase Bernard King, who scored 49 points.

## King Gets Job Done: 49 vs. Knicks

By David Aldridge

NEW YORK — Thomas and Thelma King, the parents, sat in the front row of Madison Square Garden. Thomas raised his arms in triumph, just as his son Bernard had done a few seconds earlier, after he had dropped the last of his 49 points on the heads of the New York Knicks.

"Words can't describe," Thomas King began, and they could not. Not when his son had made 20 of 35 shots, grabbed 11 rebounds and played the entire second half, leading the Washington Bullets to a 107-98 victory Thursday night before 14,227 spectators.

But the victory was bittersweet for Washington (20-24), which ended a six-game losing streak in the Garden. Darrell Walker went down in the first half with a sprain of the medial collateral ligament in his right knee, and the preliminary diagnosis by the Knicks' physician, Norman Scott, the same man who rebuilt King's knee in 1985, was that Walker would miss at least four weeks.

The Bullets won because King would not let them lose in the fourth quarter, hitting 10 of 13 shots for 21 points, including the first 11 of the period.

"You just have your mind set that you're going to get the job done, that you won't be denied," King said. "I wanted to win this game bad."

The Knicks' Patrick Ewing scored to open the fourth quarter, tying the game, 75-75. King responded by scoring over Kiki Vandeweghe, the first of four Knicks who tried to stop him in the next 12 minutes.

Kenny Walker tied it, but King spun on the left side for two more. He rebounded a miss by Mark Jackson and went end-to-end for a transition basket and foul with 9:23 left, giving the Bullets an 82-77 lead.

New York got within three on free throws by Vandeweghe at 3:15. But King scored on an 18-footer.

New York was desperate. The Knicks put Gerald Wilkins on King. King faded away on the right side for a 96-89 lead. King took the ball on the left baseline. The Knicks tried to double-team him. The ball was already out of King's hands for two more, and New York was down nine and calling time again.

Walker was watching in the locker room.

"I was like, 'Too late,'" Walker said. "You've got to get there quicker if you're going to stop him. It was a hell of a performance."

King got points 48 and 49 from the foul line with 28 seconds left as the crowd rose in a standing ovation.

Sabatini Upsets  
Graf in Tokyo

The Associated Press

TOKYO — Gabriela Sabatini and Steffi Graf struggled through 2½ hours and a third-set tiebreaker before the Argentine defeated the top-seeded German, 4-6, 6-4, 7-6 (8-6), Friday in the quarterfinals of the Toray Pan Pacific Open.

Martina Navratilova, seeded third and playing her first tournament since knee surgery in November, made short work of American compatriot Robin White, scoring a 6-2, 6-3 triumph on the artificial surface at the Tokyo Metropolitan Gym.

In other quarterfinal matches on Friday, No. 4 Mary Joe Fernandez of the United States beat Japan's wild-card entry Nana Miyagi, 6-0, 6-2, and No. 7 Laura Gildemeister beat American Kathy Rinaldi, 5-7, 6-4, 6-3.

Sabatini will meet Fernandez and Navratilova will play Gildemeister in the semifinals on Saturday.

Sabatini's victory was her first against the No. 1 player in the world since winning the U.S. Open last year. The German leads the series, 20-6.

The two were tied after 12 points in the tiebreaker, but Sabatini fired a pair of passing shots for the win.

Sabatini said it was one of the best matches the two had ever played.

"I kept putting pressure on her and played aggressively even when I was down," she said.

## Becker Starts Davis Cup Slowly

Boris Becker, who took over the men's No. 1 ranking after winning the Australian Open on Sunday, overcame a hesitant start to beat Paolo Cane, 3-6 6-1 6-4 6-4, and give Germany a 1-0 lead over Italy in their best-of-five first round Davis Cup world group match. Reuters reported from Dortmund, Germany.

Cane, ranked 130th in the world, baffled Becker early, but the German found his touch on the fast indoor surface in the second set.

The winner of the series will advance to meet the victor of the New Zealand-Argentina match in Christchurch, where Argentina was leading by 2-0 after winning the two first singles.

Richard Fromberg and Wally Masur scored victories on Friday as Australia cruised to a 2-0 lead over Belgium in its Davis Cup first-round series. The Associated Press reported from Perth, Australia.

Fromberg struggled to a 6-4, 6-3, 1-6, 6-4 victory over Belgian teenager Filip Dewulf in the opener. Masur took just 100 minutes to crush Eduardo Masso, 6-3, 6-1, 6-1.

The winner will play either France or Israel. The French-Israeli first-round match was postponed because of security concerns relating to the war in the Gulf.

## First Round Results

WORLD GROUP  
Australia vs. Belgium  
Richard Fromberg, Australia, def. Filip Dewulf, Belgium, 6-4, 6-3, 1-6, 6-4.  
Wally Masur, Australia, def. Eduardo Masso, Belgium, 6-3, 6-1, 6-1.  
Yugoslavia vs. Sweden  
Miroslav Jelic, Yugoslavia, def. Brett Stevens, Sweden, 7-6, 6-2, 6-2.  
Joelie Franco, Argentina, def. Kelly Evernden, New Zealand, 7-6 (7-1), 6-4, 6-2.

Germany vs. Italy  
Boris Becker, Germany, def. Paolo Cane, Italy, 3-6, 6-1, 6-4, 6-4.  
Yugoslavia vs. Sweden  
Goran Ivanisevic, Yugoslavia, def. Jonas Svensson, Sweden, 6-2, 4-6, 6-3, 6-4.

AFRICAN ZONE  
Kenya vs. Congo  
Eno Pala, Kenya, def. Crenk Oombee, Congo, 6-1, 6-2, 6-4; Kush Shorodho, Kenya, def. Christian Bemba, Congo, 6-2, 6-3, 6-4.

## SIDELINES

## Valenzuela: No Time to Quibble

LOS ANGELES (AP) — With his agent doing the Gulf war as a catalyst, Fernando Valenzuela agreed to a one-year contract with the Los Angeles Dodgers, thus avoiding an arbitration hearing.

The 30-year-old left-hander and the Dodgers agreed Thursday on a one-year contract worth \$2.55 million. Valenzuela, who earned \$2.2 million last season, had requested a salary of \$2.7 million while the Dodgers offered \$2.4 million.

"The Dodgers offered the midpoint and Fernando felt at this time with everything going on in the world, fighting for money is not appropriate, right now," said Tony DeMarco, Valenzuela's agent.

## Europeans Win Cup Broadcast Rights

ZURICH — The European Broadcasting Union will be the host broadcaster for the 1994 soccer World Cup in the United States, the sport's governing body, FIFA, said Friday.

"We have taken up the EBU's offer and have an agreement in principle," said Sepp Blatter, the general secretary of FIFA. "The contractual details are being worked out."

He said U.S. television networks favored the deal.

"The U.S. television networks only wanted access to the signal but did not want to be the host broadcaster who is responsible for providing it," he said.

## Barcelona Olympic Tickets Go on Sale

MADRID (Reuters) — Tickets for the 1992 Summer Olympics may be purchased beginning Monday, organizers said.

Oriol Serra of the Barcelona Olympic Organizing Committee told a news conference on Thursday that 4.7 million tickets giving access to a total of 504 sports events will be sold in Spain. Another 1.2 million tickets will be sold abroad through travel agencies designated by each country's national Olympic committee.

Prices range from \$10 to \$95, with the men's basketball final the most expensive event.

## France Set for Irish in Five Nations

PARIS (APF) — Having defeated Scotland, France is banking on newfound energy, resolve and ambition when it takes on Ireland on Saturday in Dublin in the Five Nations Rugby Championships.

Daniel Dubroca and Jean Trillo, the French coaching tandem, have changed the team's style to emphasize running. Ireland will be without Neil Francis, who has tonsillitis.

In the other Five Nations match on Saturday, Scotland will meet Wales in Edinburgh.

## For the Record

John Cruik on Thursday signed to coach for two more years with Barcelona, the Spanish soccer league leader.

Linebacker Eric Kumerow, a former first-round draft pick whose career never blossomed in three years with the Miami Dolphins, was traded to the Chicago Bears for cornerback Vester Jackson on Thursday.

Bob Wollek of France on Thursday won the pole position for the International Motor Sports Association 24 Hours of Daytona, guiding his Porsche 962C around the rain-soaked speedway in Daytona Beach, Florida at an average speed of 115.595 miles per hour (186 kilometers per hour).

Charles Barkley of the Philadelphia 76ers, one day after saying he expected to sit out at least another week because of pain in his left foot, said Thursday night that his condition has improved and he might return to the lineup over the weekend.

## Quotable

Heavyweight boxer George Foreman, who said he weighs between 275 and 280 pounds (125 to 127 kilograms), on what he will do if he defeats champion Evander Holyfield: "First of all, I'm going to throw the biggest party in the history of Atlantic City. There won't be enough room in all the hotels for the buffet tables. Then I'm going to buy a fast-food franchise and retire."

## BOOKS

## THE FOURTH K

By Mario Puzo. 479 pages. \$22. Random House, 201 East 50th Street, New York, N.Y. 10022.

Reviewed by E. J. Dionne Jr.

FEW myths are as powerful in contemporary American life as the one associated with the Kennedy family. It is a truism, but an important one, that every American who was more than four years old in 1963 remembers exactly what he was doing when he learned that John F. Kennedy had been shot. No other political name inspires the same emotion as that of Kennedy — and that's true for Kennedy foes no less than Kennedy friends.

On the right, dislike of the name Kennedy is so strong that direct mail specialists can still raise lots of money by throwing Ted Kennedy's name into a letter on almost any subject. Among a certain group of liberals who harbor fond memories of Adlai Stevenson's campaigns in the 1950s or Eugene McCarthy's 1968 crusade, the Kennedy name still inspires mistrust.

But for another type of liberal, and for a lot of Americans who disdain ideological classification, the assassinations of John and Robert Kennedy represent the beginning of the tragic era in American history. In his powerful memoir of Robert Kennedy's complicated psychological

and political journey, Jack Newfield invoked Camus's myth of Sisyphus to capture the feeling of emptiness created for so many by the extinction of a second Kennedy's life. After Robert Kennedy's death, Newfield wrote, the stone was again at the bottom of the hill, and we were alone.

The most gifted thriller writers create their own mythic figures, but there is a perfectly respectable tradition of turning already powerful myths to fictional purposes. Mario Puzo succeeded brilliantly at the first with "The Godfather," creating an image so powerful that it is now applied almost indiscriminately in business, politics, intellectual life and international affairs.

In "The Fourth K," Puzo tries his hand at the second by building a novel around the Kennedy myth. The results, alas, are not up to "The Godfather's" standards.

Not that he doesn't try hard. "The Fourth K" has almost everything you look for in a thriller. There are brilliant Palestinian terrorists, sultry Italian terrorists and deranged American terrorists. Puzo gives us a plot against the pope, an airline hijacking, secret conspiracies of the rich and powerful, a mad scientist, government officials willing to do almost anything in the name of security, and lots of sex. There's even a homemade atomic bomb planted in the heart of New York City.

And, of course, there are numerous plots against President Francis Xavier

Kennedy — a delightful name — the cousin of the slain brothers whose politics involve an aggressive mistrust of the rich, anger at street crime and a passion for the average citizen.

So, yes, this is your classic page-turner and not a bad book to read to take your mind off war and recession. But it's a page-turner not only for the right reasons but also for the wrong ones. Part of why you want to get to the end is to see how Puzo's Rubik's Cube machine of a plot is resolved. Still, you have to admire Puzo's sheer chutzpah in being willing to use every device known to screenwriters and mystery readers to keep things moving.

If you hate politicians and power-brokers, you'll love Puzo's portrayal of them here. But Puzo's portrait of how politics works is an almost cartoon-like parody of the real thing. He ratchets up the paranoia to Robert Ludlum levels and offers us a crowd so corrupt as to make participants in the Teapot Dome scandal look like members of Common Cause or the League of Women Voters. A few more touches of gray here and there would have helped a lot.

So if you're looking for a thoughtful treatment of the Kennedy saga, you won't find it here. But if you like bombs and assassination plots and a lot of running around, "The Fourth K" is an offer you might want to accept.

E. J. Dionne Jr. is on the staff of the Washington Post.

## BRIDGE

## By Alan Truscott

MORE than half a century ago a battle began between the entrenched strong two-bidders, following the dogma of Ely Culbertson, and the upstart weak two-bidders, headed by Howard Schenken.

The weak two-bidders scored a total victory in tournament play, but the strong two-bid held its own in social games. Even today confusions occur when the players fail to agree in advance, or as in the diagrammed deal from a rubber bridge game in Florida, forget the agreement.

North-South had settled on the strong two-bid, but North absent-mindedly opened the action with two spades. South was Joseph Ivany, of Boca Raton, Florida, and was delighted. He made a forcing jump to four clubs and then continued to seven clubs. He was expecting the grand slam to be a lay-down, but had misgivings and refrained from redoubling when East correctly diagnosed a muddle and doubled.

Unfortunately for the defense, West assumed that the double was a lighter effort, suggesting a lead of dummy's suit. Declarer put up dummy's spade jack, ruffed East's ace and drew trumps. He crossed to the heart queen and threw two diamond losers on spade winners. Then he ruffed a spade and was able to reenter the dummy by ruffing a heart winner. The remaining two diamond losers disappeared on the established spades and the grand slam was made.

NORTH			
♠	KQJ987		
♥	Q		
♦	753		
♣			
EAST			
♠	A1052		
♥	QJ52		
♦	A K108		
♣	106		
SOUTH			
♠	A K6		
♥	A KQJ98		
♦	A KQJ98		
♣			

Both sides were vulnerable. The bidding:

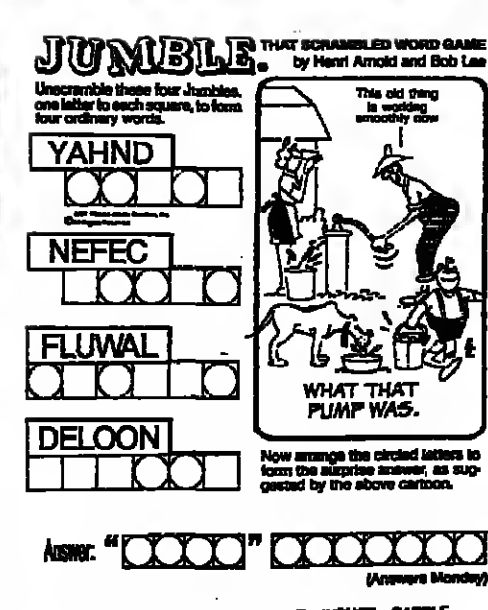
North	East	South	West
2♠	Pass	4♣	Pass
3♠	Pass	7♣	Pass
Pass	Del.	Pass	Pass

West led the spade six.

## DOONESBURY



## DENNIS THE MENACE



## BLONDIE



## REX MORGAN



## GARFIELD



## WIZARD OF ID



## BEETLE BAILEY



## ANDY CAPP



## JUNIOR

## MERCED



## SPORTS



Olympic champion Vreni Schneider of Switzerland, roaring down the mountain on the second run of the slalom. She was third on the run, but won the gold medal.

## Schneider Wins Slalom, Aims for a Second Gold

Compiled by Our Staff From Dispatches

SAALBACH-HINTERGLEMM, Austria — Reigning Olympic champion Vreni Schneider of Switzerland won the women's slalom on Friday, edging Natasa Bokal by a sixth of a second in the World Alpine Ski Championships.

Schneider, who won a bronze medal on Thursday in the combined event and is a two-time defending champion in the giant slalom that will be run Saturday, had a winning time of 1 minute, 25.90 seconds for the two-run slalom.

"My goal was to win one medal here and that was fulfilled yesterday," Schneider said. "So after this gold medal, who knows? Maybe I can become a double world champion."

Bokal finished in 1:26.06. The bronze medal went to Austria's Ingrid Stenberger in 1:26.56.

Schneider had the fastest time of 41.97 seconds on the first run, which had 52 gates, and was third fastest on the 53-gate second run with 43.93.

Schneider made fun of herself for a slight misstep in the second run.

"I don't know exactly what happened, but I accidentally hit myself in the face with a pole," she said. "I began to go well from that point on."

Bokal, 23, who won her first World Cup slalom earlier this month in her native Yugoslavia, had the best run of 43.06 seconds on the second run. That was nearly nine-tenths of a second faster than Schneider.

"That second run was super," Bokal said. "It was like a run you do in training. I made mistakes in the first run, but even then I still believed that I could win a medal."

The victory was the culmination of a mini-comeback for Schneider, who has been eclipsed as the queen of the slopes by Austrian Petra Kronberger in the past two World Cup seasons.

But an injury to Kronberger, who took the overall World Cup title from Schneider last year and is leading by a wide margin this season, has allowed Schneider to regain supremacy in women's skiing.

Kronberger won the downhill world title last week but suffered a knee injury as she fell near the bottom of the super-giant slalom on Tuesday. She was unable to complete the combined event or race in the slalom, and announced on Thursday that she also will miss Saturday's giant slalom.

Schneider, 26, who is competing in her fourth world championships, is the only remaining star from the Swiss women's team that dominated alpine skiing in the late 1980s.

She now has won three world titles and three other world championships medals, as well as a pair of gold medals at the 1988 Calgary Olympics.

Schneider got off to a slow start this season, winning only one World Cup race so far and falling far behind Kronberger in the overall World Cup standings.

A series of minor injuries combined with personal problems and a reshuffling of the Swiss women's team coaches caused the problems, Swiss team officials said, but that is all now forgotten.

"I have had problems this season in the slalom," Schneider said. "I was good in training but I fell in some races, so I was losing confidence. So yesterday's combined slalom really boosted my confidence."

On Thursday, she posted the fastest time in both combined slalom runs to win the bronze medal in that event after finishing a distant 24th in the downhill portion.

But she said she almost missed the entire world championships because of an accident the day before the competition began.

"Ah, it was a stupid thing," she said. "I was at home and I opened the garage door onto my leg, injuring my shin. It wasn't the best thing for ski training, but it's all right now."

(A.P. Reuters)

## World Championships

The top 10 in the slalom:  
1. Vreni Schneider, Switzerland, 1 minute, 25.90 seconds; 2. Natasa Bokal, Yugoslavia, 1:26.06; 3. Ingrid Stenberger, Austria, 1:26.56; 4. Petra Kronberger, Austria, 1:27.00; 5. Katharina Pauer, Yugoslavia, 1:27.54; 6. Pernille Wiborg, Sweden, 1:27.65; 7. Patricia Cheval, France, 1:27.80; 8. Heidi Voeller, U.S., 1:27.82; 9. Angela Drexel, Germany, 1:27.83; 10. Kristina Andersson, Sweden, 1:27.88.

## Another Transition for the Crosby Pro-Am: Farewell to the 'Sistine Chapel of Golf'

By Jaime Diaz

New York Times Service

PEBBLE BEACH, California — The AT&T Pebble Beach National Pro-Am has begun again with its unique blend of spectacular beauty, celebrity hackers and often brutal weather conditions. But for the first time in 45 years, it is not being played on what is widely considered the most idyllic course in the world.

Cypress Point, the "Sistine Chapel of Golf" whose famed 16th hole spans a churning inlet of the Pacific Ocean in California, will no longer join Pebble Beach and Spyglass Hill as one of three sites for this venerable tournament. The loss of Cypress, which has been replaced by Poppy Hills Golf Club, is a blow to the tournament, which began in San Diego in 1937 as the Bing Crosby Pro-Am and moved to the Monterey Peninsula 10 years later. After Crosby's death, it became the AT&T in 1966.

"Cypress Point has been a great friend to this tournament, and it's as if it's passed away," said Tom Watson of the course he calls one of his favorites. "In a way, it's sort of like Bing passing on."

Last year, Cypress Point was the first of five private clubs that chose not to conform to PGA Tour's new anti-discrimination policy for tournament sites. The policy was enacted after the issue of racially exclusionary private clubs erupted prior to the 1990 PGA Championship at Shoal Creek in Alabama, a club that at the time had an all-white membership but has since changed.

Cypress has never had a black among its 240 members, and no black is on its seven-year waiting list for membership. When the club in August was presented with the new PGA Tour guidelines that required "satisfactory evidence" that the club would take appropriate and immediate action to encourage minority membership, it voted to stop its association with the AT&T.

"Of course it's a negative, of course it will be missed," said Bill Borland, chairman of the Monterey Golf Foundation, which runs the AT&T, and a member at Cypress Point since 1967.

"But the tour had its rule, and Cypress Point

had its membership policies, and unfortunately, the two didn't fit." Poppy Hills Golf Course is a relatively new inland public course whose combination of narrow doglegs and large, severely undulating greens will produce high scores.

Last week at Phoenix, the PGA Tour was nervous enough about player reaction to Poppy Hills that it distributed letters to the players asking them to temper any public criticism of the new course.

"We got a letter from Mr. Beman," said one player in reference to Deane Beman, the tour commissioner. "I think it was very smart on his part."

Indeed, the early reviews of the course found several players biting their tongues. "It's not that bad; it's really not," said Tom Kite. "Honestly to goodness. Seriously, it's not nearly as bad as the comments I've heard. It's not Cypress Point, but you could say that about 99 percent of courses we play on tour."

Watson was less cryptic. "It's going to be a very difficult course to play," he said. "We'll spend forever on the

greens looking over our third, fourth and fifth putts."

While most players questioned this week said they would miss playing Cypress Point, the change in courses has not caused a disconcerting dropoff in the field.

Only Greg Norman is absent among the stars who usually play, and Norman explained three weeks ago that he would miss the tournament because his amateur partner, Kerry Packer, the Australian media magnate, is recovering from a recent heart attack.

To Jack Nicklaus, who has played in the tournament since 1962, the centerpiece of the tournament is still Pebble Beach, the only course on which the final field plays two rounds.

"It's disappointing for me because I love to play at Cypress," said Nicklaus. "But Pebble Beach is the real reason I always come out to play. Pebble Beach is the course I won the United States Amateur on, won the United States Open on, and the principal reason I won this tournament three times."

Cypress's signature is the 233-yard (213-meter) hole that was ranked the most difficult on the tour relative to par in 1990. Crosby himself made one of the only six aces ever recorded on the hole and Packer Oliver made a 16 in the 1993 tournament.

It's also where Jack Lemmon, who is back for the 28th time, used the human chain of Peter Jacobson, Greg Norman and Clint Eastwood to hold him up while he hit a shot from a jomplent off the edge of a 30 foot cliff.

Just as bizarre was Brett Uppe's plight in 1985. Uppe hit his tee shot over the cliff to the left of the green and found his ball resting on the beach several yards from the bubbling surf. Uppe was getting ready to loft his ball toward the green when the caddy of one of his amateur partners suddenly signaled to him that another player was away. As Uppe waited for the other player to hit, a large wave came in and washed his ball out to sea.

"Only at Cypress Point," said Uppe, now a club professional in St. Petersburg, Florida. "There is so much history there, and it's the prettiest meeting of land and water in the

world. Anytime you get to play Cypress Point, it's a rare privilege."

As of this year, even more rare.

## Rookies Take Charge

The Ben Hogan Tour gained a major dose of credibility in the first round of the AT&T Pebble Beach National Pro-Am on Thursday as three graduates from the PGA Tour's minileague proving ground took their places among the leaders. The New York Times reported from the site of the tournament.

The best round of the day was a 7-under-par 65 shot by the first-year pro Mike Standly, who played in 28 Hogan Tour events last year. Jeff Maggert, shot 67, and its longest hitter, John Daly, fired a 68.

"The Hogan Tour was a good deal," said Standly, a 26-year-old PGA Tour rookie from Houston. "It really helped a lot of guys figure out what to do and how to play."

Trailing Standly by a shot were Brian Claar, who played Spyglass Hill, and John Cook, who played Poppy Hills.

## As Marinovich Wavers, Family Feels the Strain

Compiled by Our Staff From Dispatches

For David Klingler, there are more reasons to stay in college than play in the National Football League. But for Todd Marinovich, the decision to leave school might be easier.

Underclassmen in U.S. colleges had until Friday to declare themselves eligible for the pro football draft, to be held in April. NFL spokesman Greg Aiello said the league won't reveal this year's final list until Monday.

Klingler, who set or tied 33 records as Houston's quarterback last year, said he came up with 23 reasons to return for his senior season and only three for leaving. "I'll be back," Klingler said Thursday.

The U.S. sports daily The National reported on Friday's editions that Marinovich, Southern Cal's troubled quarterback, and Pittsburgh running back Curvin Ruffin formally petitioned the NFL on Thursday for entry in the draft. Neither player made an official announcement Thursday.

Marinovich has two years of college eligibility, but he was suspended indefinitely from the Southern Cal team on Jan. 11 after failing to register for classes and missing a mandatory team meeting. Nine days later, he was arrested and charged with cocaine possession.

He reportedly already has signed with International Management Group, retaining an agent would cost Marinovich his remaining eligibility.

Marinovich's family has expressed confusion about his situation and what he may do.

"My wishes were school, and honor your scholarship," said Henry Fertig, Marinovich's grandfather, with whom Todd and his mother, Trudi, live in Newport Beach, California. "And if you want to forget about football, forget about it. But his father has a lot of power over him."

Marinovich first came to national attention as a high school player who had been almost literally programmed by his father, Marvin, to become a star quarterback. According to many published reports, Todd spent most of his youth throwing a football and following a diet designed by his father to develop his athletic skills.

Fertig, a former chief of police of Huntington Beach, California, said that in his opinion, there was no question that Marinovich's arrest stemmed from a rebellion against the pressure placed on him.

"Trying to get away from it, trying to get away from it," Fertig said. "In the past, he has told his mother, 'I don't want to be Todd Marinovich.'"

"That morning of the bust when I came upstairs to tell my wife and my daughter, they grabbed each other, crying and weeping and what have you. I said, 'Trudi, you call Marv.'"

"Well, he didn't go. I want. I'm not his father. I'm his grandfather." Fertig said he called his attorney, who worked out an agreement with the police department in Orange County, California, which held jurisdiction, to secure Marinovich's release without bail.

"When he came out he was as white as a sheet," Fertig recalled. "He didn't cry until he went down the stairs of the Newport Beach police station. He got in the car and looked at his mother, and said, 'I have just blown my life away. And he wept all the way home.'"

According to Fertig, Marinovich's father asked Trudi Marinovich to take the quarterback to the doctor to get a blood and urine test "for the NFL and the media."

Fertig said Marinovich's father is only concerned with money.

"Todd just blew \$100,000 on the bust," Fertig said. "I'm sure that somebody will take him, but he won't go in the first round. I should say not."

(A.P. NYT)

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W	L	Pct	GB
Boston	23	13	.640
Philadelphia	20	16	.559
Washington	20	16	.559
New York	17	19	.472
New Jersey	14	22	.388
Miami	11	25	.303

Central Division

W	L	Pct	GB
Chicago	23	13	.640
Indiana	22	14	.610
Atlanta	21	15	.583
Cleveland	18	18	.500
Charlotte	14	22	.388
Orlando	11	25	.303

WESTERN CONFERENCE

Midwest Division

W	L	Pct	GB
San Antonio	23	13	.640
Utah	22	14	.610
Houston	21	15	.583
San Diego	18	18	.500
Phoenix	14	22	.388
Portland	11	25	.303

Pacific Division

W	L	Pct	GB
L.A. Lakers	23	13	.640
Phoenix	22	14	.610
Golden State	21	15	.583
Sacramento	18	18	.500
San Jose	14	22	.388
Seattle	11	25	.303

THURSDAY'S RESULTS

W	L	Pct	GB
New York	23	13	.640
Kings	22	14	.610
Washington	21	15	.583
Washington	20	16	.559
Washington	19	17	.529
Washington	18	18	.500
Washington	17	19	.472
Washington	16	20	.441
Washington	15	21	.411
Washington	14	22	.388
Washington	13	23	.357
Washington	12	24	.327
Washington	11	25	.297

Major College Scores

NHL Standings

WHL Standings

WHL Standings

WHL Standings

WHL Standings

WHL Standings

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WHL Standings

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